

RAIN CARBON INC.
AUDITED FINANCIAL STATEMENTS
FOR THE
FINANCIAL YEAR ENDED DECEMBER 31, 2016



C. RAMACHANDRAM & CO.
CHARTERED ACCOUNTANTS
AUDITORS' REPORT

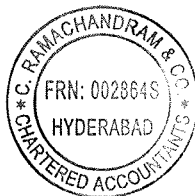
3-6-237, Unit # 606,
Lingapur La Bulde Complex,
Himayatnagar, Hyderabad - 500 029.
Ph : 23264144/45, 23223787
E-mail : crcoca@gmail.com

To The Members of
Rain Carbon Inc.

1. We have audited the attached Balance Sheet of **Rain Carbon Inc.**, ("the Company") as at December 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2016;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

For C. Ramachandram & Co
Chartered Accountants
FRN: 002864S

C. Ramachandram
Partner
Membership No.: 25834



Hyderabad
February 20th, 2017

Rain Carbon Inc.

Balance Sheet as at December 31, 2016

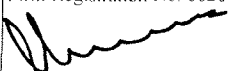
All amounts are in Rupees millions, except share data and where otherwise stated

	Note	As at December 31, 2016		As at December 31, 2015	
I. LIABILITIES:					
1. Shareholders' Funds					
(a) Capital	3	14,828.27		12,804.47	
(b) Reserves and Surplus	4	4,906.85		4,371.93	
			19,735.12		17,176.40
2. Current Liabilities					
(a) Trade payables	5	0.88		0.86	
(b) Other current liabilities	6	18.52		45.48	
			19.40		46.34
TOTAL			19,754.52		17,222.74
II. ASSETS:					
1. Non Current Assets					
(a) Fixed Assets					
(i) Tangible assets	7	7.10		-	
(b) Non-current investments	8	19,608.18		17,150.90	
			19,615.28		17,150.90
2. Current Assets					
(a) Cash and bank balances	9	4.64		12.28	
(b) Short-term loans and advances	10	134.20		58.04	
(c) Other current assets	11	0.40		1.52	
			139.24		71.84
TOTAL			19,754.52		17,222.74
Corporate Information & Significant Accounting Policies	1 & 2				

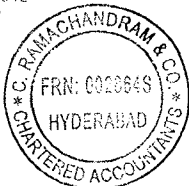
The notes referred to above form an integral part of the financial statements

In terms of our report attached

For C. Ramachandram & Co
Chartered Accountants
Firm Registration No: 002864S



C. Ramachandram
Partner
M.No 025834



For and on behalf of the Board of Directors



N. Jagan Mohan Reddy
Director

Place: Hyderabad
Date : February 20, 2017

Rain Carbon Inc.

Statement of Profit and Loss for the year ended December 31, 2016

All amounts are in Rupees millions, except share data and where otherwise stated

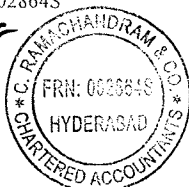
	Note	For the year ended December 31, 2016	For the year ended December 31, 2015
Revenue from operations (Gross)		-	-
Less: Excise Duty		-	-
Revenue from operations (Net)		-	-
Other Income	12	2,200.96	2,180.01
TOTAL REVENUE		2,200.96	2,180.01
EXPENDITURE			
Cost of materials consumed		-	-
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
Employee benefits expense	13	53.70	43.07
Finance costs		-	-
Depreciation and amortisation expense	7	0.37	-
Other Expenses	14	359.60	1.76
TOTAL EXPENSES		413.67	44.83
PROFIT BEFORE TAXATION		1,787.29	2,135.18
Tax expense			
(a) Current tax expense for current period		-	-
(b) Current tax expense relating to prior years		-	-
(c) Net current tax expense		-	-
(d) Deferred tax		-	-
PROFIT / (LOSS) FOR THE YEAR		1,787.29	2,135.18

The notes referred to above form an integral part of the financial statements

In terms of our report attached

For C. Ramachandram & Co
Chartered Accountants
Firm Registration No: 002864S

C. Ramachandram
Partner
M.No 025834



For and on behalf of the Board of Directors

N. Jagan Mohan Reddy
Director

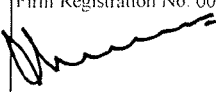

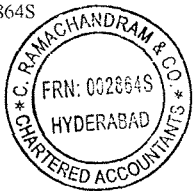
Place: Hyderabad

Date : February 20, 2017

Rain Carbon Inc

Cash Flow Statement for the year ended December 31, 2016

All amounts are in Indian Rupees millions, except share data and where otherwise stated

Particulars	For Year ended December 31, 2016		For Year ended December 31, 2015	
A. Cash flow from operating activities				
Profit before taxation		1,787.29		2,135.18
<u>Adjustments for:</u>				
Depreciation and amortisation expense	0.37		-	
Loss on transfer of investment in RGS to RCI	337.51		-	
Interest income	(0.61)		(1.51)	
Dividend from subsidiary companies	(2,025.00)		(1,972.23)	
		(1,687.73)		(1,973.74)
Operating profit / (loss) before working capital changes		99.56		161.44
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Short term loans and advances	(73.57)		(51.51)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables, other current liabilities and provisions	-		(0.74)	
Other current liabilities	(24.87)		16.82	
		(98.44)		(35.43)
Cash generated from operations		1.12		126.01
Income taxes paid, net		-		-
Net cash flow from / (used in) operating activities (A)		1.12		126.01
Purchase of long-term investments				
- Subsidiaries	(2,025.00)		(1,433.73)	
Purchase of fixed assets, including capital advances	(7.36)		-	
Dividend received from Subsidiaries	2,025.00		1,972.23	
Net cash flow from / (used in) investing activities (B)		(7.36)		538.50
(a) Cash and bank balances				
Proceeds from issue of equity shares	-		1,298.20	
Dividend paid (including tax on dividend)	-		(1,951.83)	
Net cash flow from / (used in) financing activities (C)		-		(653.63)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(6.24)		10.88
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		(1.40)		1.40
Cash and cash equivalents - opening balance		12.28		-
Cash and cash equivalents at the end of the year		4.64		12.28
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		4.64		12.28
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		-		-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 12		4.64		12.28
The notes referred to above form an integral part of the financial statements				
In terms of our report attached				
For C. Ramachandram & Co Chartered Accountants Firm Registration No: 002864S		For and on behalf of the Board of Directors		
 C. Ramachandram Partner M.No 025834		 N. Jagan Mohan Reddy Director		
				
Place: Hyderabad				
Date : February 20, 2017				

Note 1: Corporate Information

Rain Carbon Inc. (the "Company" or "RCI") has been incorporated to carry on the businesses of producing calcined petroleum coke (CPC), trading metallic and/or nonmetallic substances, and investing in entities engaged in such businesses. RCI is a wholly owned subsidiary of Rain Commodities (USA) Inc ("RCUSA"), which in turn is a wholly owned subsidiary of Rain Industries Limited ("RIL" or "the ultimate holding company"), a company incorporated in India and listed on the National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited. The Company was originally incorporated as a Limited Liability Company in the state of Delaware, United States of America on September 15, 2010. During the year ended December 31, 2013, the company has been converted into a Delaware Corporation. Upon completion of the conversion process, the authorized share capital of the company consists of 5,000 shares.

Note 2: Significant Accounting Policies

(a) Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention on an accrual basis, to comply with the generally accepted accounting principles in India ("Indian GAAP"), the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements are presented in Indian rupees rounded off to the nearest millions.

(b) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made.

(c) Current and non current classification

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets / liabilities include the current portion of non current financial assets / liabilities respectively. All other assets / liabilities are classified as non current.

(d) Other Income

Dividend income is recognized when the Company's right to receive dividend is established.

Interest income is recognized using the time proportion method, based on the transactional interest rates.

Rental income is recognized on a time-apportioned basis in accordance with the underlying substance of the relevant contract.

(e) Fixed Assets and depreciation

Fixed Assets are stated at cost/professional valuation less accumulated depreciation. Cost includes freight, installation cost, duties and taxes, interest on specific borrowings utilized for financing the qualifying fixed assets and other incidental expenses. Subsequent expenditure related to an item of tangible fixed asset is capitalized only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance.

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under long-term loans and advances. Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual value over the estimated useful lives of assets.

Estimated useful lives of assets are as follows:

Buildings	15 years
Furniture and fixtures	10 years

Gains and losses on disposal of tangible assets are determined as the difference between net sales proceeds and the carrying amount, and are presented in the Statement of Profit and Loss.

(f) **Impairment**

All fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets is charged to the Statement of Profit and Loss in the respective financial years. The impairment loss recognized in prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

(g) **Foreign Currency Transactions**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/loss upon such restatement along with the gain/loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss.

All subsidiaries of the Group are in the nature of non-integral operations in terms of Accounting Standard 11, "The effects of changes in foreign exchange rates".

(h) **Investments**

Long term investments are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments. Current investments are carried at the lower of cost and fair value.

(i) **Derivative instruments and hedge accounting**

The Company uses interest swap contracts (derivatives) to mitigate its risk of changes in interest rates and does not use them for trading or speculative purposes. The changes in the fair value of interest rate swap contracts are recognized in the statement of profit and loss as they arise. Fair value of such option and swap contracts is determined based on the appropriate valuation techniques considering the terms of the contract. As on December 31, 2016 there are no open derivative contracts.

(j) **Borrowing Costs**

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets.

(k) **Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes.

Rain Carbon Inc.**Notes forming part of the financial statements (Continued)**

All amounts are in Rupees millions, except share data and where otherwise stated

	As at December 31, 2016	As at December 31, 2015
3 SHARE CAPITAL		
Issued, Subscribed and Fully Paid Up		
Equity Share Capital	14,828.27	12,804.47
	14,828.27	12,804.47
4 RESERVES AND SURPLUS		
(a) Capital Reserve	331.85	-
(b) Foreign Currency Translation Reserve		
Opening balance	4,233.47	3,515.05
Add: Effect of changes in foreign exchange rates	440.87	718.42
Closing balance	4,674.34	4,233.47
(c) Surplus in Statement of Profit and Loss		
Opening balance	138.46	(24.49)
Add: Profit (loss) for the year	1,787.29	2,135.18
Add: RGH merger impact	(0.09)	-
Less: Interim dividend	2,025.00	1,972.23
Closing balance	(99.34)	138.46
	4,906.85	4,371.93
5 TRADE PAYABLES		
Other than Acceptances	0.88	0.86
	0.88	0.86
6 OTHER CURRENT LIABILITIES		
Other payables		
- Others	1.53	-
- Contractually reimbursable expenses	16.99	45.48
	18.52	45.48
8 NON CURRENT INVESTMENTS		
A. OTHER INVESTMENTS		
Investment in equity instruments		
(i) of subsidiaries		
Rain Global Holdings LLC	-	17,035.07
Rain Carbon Holdings LLC	19,489.52	-
RUTGERS		
Investment in RÜTGERS Wohnimmobilien GmbH & Co. KG	21.26	20.75
Investment in RÜTGERS Gewerbeimmobilien GmbH & Co. KG	97.40	95.08
	19,608.18	17,150.90

Rain Carbon Inc.**Notes forming part of the financial statements (Continued)**

All amounts are in Rupees millions, except share data and where otherwise stated

	December 31, 2016	December 31, 2015
9 CASH AND BANK BALANCES		
Cash and cash equivalents		
(a) Balances with banks		
- in current accounts	4.64	12.28
	4.64	12.28
10 SHORT TERM LOANS & ADVANCES		
Loans and advances to related parties		
Unsecured, considered good	134.20	58.04
	134.20	58.04
11 OTHER CURRENT ASSETS		
(a) Accruals		
- Interest accrued on loans	0.40	1.52
	0.40	1.52

All amounts are in Rupees millions, except share data and where otherwise stated

7 Fixed Assets

Description	GROSS BLOCK (AT COST)					DEPRECIATION					NET BLOCK	
	As at January 1, 2016	Additions during the year	Deletions during the year	Currency realigning	As at December 31, 2016	As at January 1, 2016	For the year	On Deletions	Currency realigning	As at December 31, 2016	As at December 31, 2016	As at December 31, 2015
Tangible assets (Own)												
(a) Vehicles	-	7.44	-	0.03	7.47	-	0.37	-	-	0.37	7.10	-
Total	-	7.44	-	0.03	7.47	-	0.37	-	-	0.37	7.10	-
Previous Year ended December 31, 2015	-	-	-	-	*	-	-	-	-	-	-	-

Rain Carbon Inc.**Notes forming part of the financial statements (Continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	For the year ended December 31, 2016	For the year ended December 31, 2015
Note 12: Other income		
Interest income		
Interest on loans and advances	1.21	1.51
Dividend income from long term investments subsidiaries	2,025.00	1,972.23
Other non-operating income		
Miscellaneous income	174.75	206.27
Total	2,200.96	2,180.01

Note 13: Employee benefits expense

Salaries, wages and bonus	53.70	43.07
Total	53.70	43.07

Note 14: Other expenses

Insurance	0.30	-
Travelling and conveyance	3.22	0.10
Donations and contributions	0.33	0.40
Legal and professional charges	6.09	-
Payments to auditors [Refer Note below]	-	1.26
Investment written off	337.51	-
Directors' sitting fees	12.07	-
Miscellaneous expenses	0.08	-
Total	359.60	1.76

Note:**Payment to auditors comprises (excluding service tax):**

Statutory audit fees	-	1.26
Limited review fees	-	-
Other services	-	-
Reimbursement of expenses	-	-
Total	-	1.26

RAIN CEMENTS LIMITED

ANNUAL REPORT

FOR THE

FINANCIAL YEAR

ENDED

DECEMBER 31, 2016

RAIN CEMENTS LIMITED

Board of Directors

Mr. N. Radhakrishna Reddy
Mr. N. Sujith Kumar Reddy
Mr. N. Jagan Mohan Reddy
Ms. Nirmala Reddy
Mr. G. Krishna Prasad

Chairman
Managing Director
Director
Independent Director
Independent Director

Chief Financial Officer

Mr. G.N.V.S.R.R. Kumar

Company Secretary

Mr. K. Saipavan

Statutory Auditors

M/s. B S R & Associates LLP,
Chartered Accountants,
Reliance Humsafar, IV Floor,
Road No. 11, Banjara Hills,
Hyderabad – 500 034,
Telangana State, India.

Plants

Unit-I

Ramapuram Village,
Mellacheruvu Mandal,
Suryapet District,
Telangana State, India.

Unit – II

Boincheruvupalli Village,
Kurnool District,
Andhra Pradesh, India.

Unit – III

Kudithini, Bellary,
Karnataka, India.

Internal Auditors

M/s. Deloitte Haskins & Sells LLP ,
1-8-384 & 385, 3rd Floor,
Gowra Grand,
S.P. Road, Begumpet,
Secunderabad- 500 003,
Telangana State, India.

Registered Office

“Rain Center,”
34, Srinagar Colony,
Hyderabad – 500073,
Telangana State, India.
Phone: +91-040-4040 1234
Fax: +91-040-4040 1214
Email: secretarial@rain-industries.com
Website: www.priyacement.com
CIN: U23209TG1999PLC031631

Secretarial Auditor

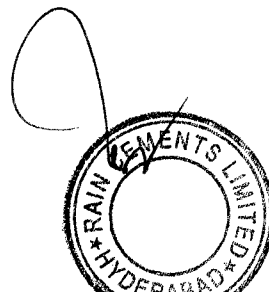
Mr. K.V. Chalama Reddy,
Practising Company Secretary,
Flat No. 301, Madhava Apts,
Hill Colony, Khairatabad,
Hyderabad – 500 004,
Telangana State, India.

Banks

IDBI Bank Limited
ICICI Bank Limited
HDFC Bank Limited
Indian Bank

Cost Auditors

M/s. Sagar & Associates,
Cost Accountants,
702, 7th Floor, Raghava Ratna Towers,
Chirag Ali Lane, Hyderabad- 500 001,
Telangana State, India.



NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of **Rain Cements Limited** will be held on Wednesday, the May 3, 2017 at 9.30 a.m. at the Registered Office of the Company situated at "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India to transact the following business:

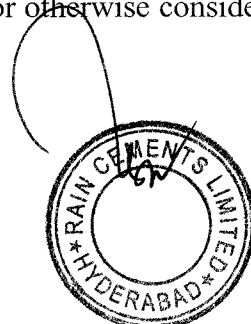
ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at December 31, 2016, Statement of Profit and Loss for the Financial year ended on December 31, 2016, Cash Flow Statement for the Financial year ended December 31, 2016 and Reports of Board and Auditors thereon.
2. To approve and ratify Interim Dividend.
3. To appoint a Director in place of Mr. N. Radhakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. N. Jagan Mohan Reddy, who retires by rotation and being eligible offers himself for re-appointment.
5. Ratification of the Appointment of Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification, or variation thereof, the members hereby ratifies the appointment of M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No.116231W/W-100024) as the Auditors of the Company to hold the office from the conclusion of this 18th Annual General Meeting till the conclusion of the 19th Annual General Meeting of the Company to be held in the year 2018 at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

FURTHER RESOLVED THAT the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company."



SPECIAL BUSINESS:

6. To ratify the remuneration payable to Cost Auditors.

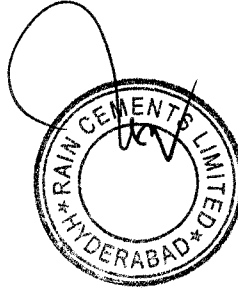
To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder , the Cost Auditors M/s. Sagar & Associates, Firm Registration No. 000118, Cost Accountants, Hyderabad appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending December 31, 2017 be paid the remuneration of Rs.85,000/- (Rupees Eighty Five thousand only) plus service tax as applicable and reimbursement of out-of-pocket expenses.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

Place: Hyderabad

Date: February 21, 2017



By order of the Board
for **Rain Cements Limited**

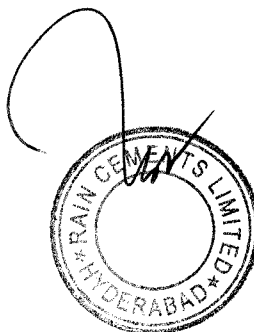
A handwritten signature in black ink, appearing to read "Saipavan".

K. Saipavan
Company Secretary
M. No. A31986

NOTES:

1. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and Vote instead of himself and a proxy need not be a member.**
3. **The instrument of Proxy duly completed and signed shall be deposited at the Registered Office of the Company not less than 48 Hours before commencement of the Meeting.**
4. Route Map showing directions to reach to the venue of the 18th Annual General Meeting is attached to this Annual Report as per the requirement of the Secretarial Standard-2 on "General Meetings" issued by the Institute of Company Secretaries of India.

Place: Hyderabad
Date: February 21, 2017



By order of the Board
for **Rain Cements Limited**

A handwritten signature in black ink, appearing to read "Saipavan".

K. Saipavan
Company Secretary
M. No. A31986

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution No. 6.

Item No. 6

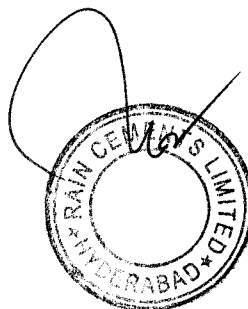
The Board of Directors of your Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Sagar & Associates, Cost Accountants, Firm Registration No. 000118 to conduct the audit of the cost records of the Company for the financial Year ending December 31, 2017.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the rules made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing the resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending December 31, 2017.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

Your Directors recommend the resolution for your approval.



By order of the Board
for **Rain Cements Limited**

A handwritten signature in black ink, appearing to read "K. Saipavan".

K. Saipavan
Company Secretary
M. No. A31986

Place: Hyderabad
Date: February 21, 2017

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report and the Audited Financial Statements for the Financial Year ended December 31, 2016.

FINANCIALSUMMARY :

The performance during the Financial Year ended December 31, 2016 has been as under:

(Rs. Million)

Particulars	December 31, 2016	December 31, 2015
Revenue from operations (Net)	9,550.84	10,346.81
Profit before finance cost, depreciation and tax expense	1,182.81	1,896.23
Finance Cost	2.34	9.40
Profit before depreciation and tax expense	1,180.47	1,886.83
Depreciation	425.02	378.71
Profit before Tax Expense	755.45	1,508.12
Tax Expense/(Benefit)	298.79	443.60
Profit After Tax Expense	456.66	1,064.52
Profit brought forward	2480.35	1,946.04
Profit available for appropriation	2,937.01	3,010.56
Appropriations:		
Interim Dividend	268.25	336.80
Tax on Dividend	54.61	68.56
Transfer to general reserve	45.67	106.45
Depreciation as per Transitional provisions of Companies Act, 2013 net of deferred Tax	-	18.40
Less: Adjustment on account of component accounting	15.84	-
Surplus carried to Balance Sheet	2,552.64	2,480.35

Review of Operations and State of Company's affairs.

During the period under review, the Company achieved Net Sales of Rs.9,550.84 Million and recorded a Net Profit of Rs.456.66 Million.



Outlook for Cement Industry

The Company has two integrated Cement Plants, one each in the States of Telangana and Andhra Pradesh with an aggregate installed capacity of 3.5 million metric tons per annum. The Company also has Cement Packing unit in the State of Karnataka.

The Company's cement plants manufacture two grades of Cement i.e., OPC and PPC. The plants are strategically located near the primary raw material source of limestone. The Cement Packing Unit situated at Kudithini, Bellary, Karnataka converts the bulk cement into packed cement and enable supplies to neighboring areas. Out of the total cement produced, PPC grade accounts for about 75% and OPC grade about 25%. Stringent BIS standards are applied in cement production to attain consistency in quality.

The Company has been constantly reducing the output cost by introducing energy efficient measures wherever possible. As part of saving cost of Energy, the Company has setup Waste Heat recovery based power plant during the period under review. The Company is using Pet Coke for heating of Furnace in place of use of Coal.

The Company has built a vast dealer network in the southern states. It has made additional inroads into other neighboring states of Maharashtra, Goa, Orissa & Kerala. Sales in the new market regions account for 18% of total sales.

The major costs in the production of cement are Freight & Transportation costs (about 31%) followed by Power & Fuel (about 26%). We have entered into long term contract with Transport agencies for deliveries. The Company constantly works to improve efficiencies in logistics. The downside risk is that an increase in fuel prices will adversely affect the freight costs.

The Company has long term arrangements with the Singareni Collieries Company Limited for supply of coal, which meets about 50% of its total requirement. In addition, about 30% of high quality coal is imported and blended with pet coke ranging from 15% to 20%.

The Cement Business segment consumes power up to 29 MW. The Company supplements its requirements for power in the Cement Business segment from power generated in the Calcination Plant operated by Rain CII Carbon (Vizag) Limited, a fellow subsidiary and its new Waste-heat Recovery based Power Plant in Kurnool Cement Plant commissioned during September 2016 to generate upto 6.4 MW power. With these measures, the Company expects significant savings in its energy costs in the coming years.

The Indian cement industry is estimated to have a total production capacity of over 395 million metric tons during Calendar Year (CY) 2016, which is expected to increase to around 550 million metric tons by CY 2025. Cement is a cyclical commodity with a high correlation to GDP. The Indian housing sector is the most critical demand driver of cement, accounting for about 67% of total consumption. The other major consumers of cement include infrastructure (13%), commercial construction (11%) and industrial construction (9%). During the last few years, low capacity utilization coupled with weak prices and increasing input costs have impacted the performance of the Cement industry in India. Subdued operating profits and high debt service obligations have even led some Indian cement producers to defer expansion plans.



With improved demand resulting from infrastructure and housing sectors coupled with limited capacity additions, the cement capacity utilization on a pan India basis is expected to gradually improve during CY 2017. Demand is expected to be boosted by infrastructure development in Tier 2 and Tier 3 cities, growth in real estate sector and initiatives to build 100 Smart Cities to give a further stimulus.

Cement, being a bulk commodity, is a freight intensive industry and transporting it over long distances can be uneconomical. This has resulted in cement being largely a regional play with the industry divided into five main regions in India: North, South, West, East and the Central region. The Southern region of India has the highest installed capacity, accounting for about 37% of the Country's total installed capacity.

During CY 2016, demand in India's cement industry grew by 4% year-on-year ("YoY"). The subdued growth was mainly attributable to a slowdown in construction activities, regulatory delays in infrastructure projects, high interest rates, prolonged monsoons and natural disasters particularly in southern India. The industry witnessed high operating costs, which included all major cost heads such as raw materials, energy and freight.

As stated elsewhere, cement demand is closely linked to the overall economic growth, particularly in the housing and infrastructure sectors. With the Government of India introducing plans with a thrust on housing and infrastructure development, cement demand is expected to increase.

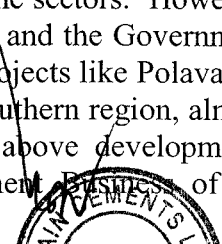
Historically, positive incremental demand over supply has resulted in higher cement prices and vice versa. Levels of capacity utilization aggravate the quantum of increase or decrease in cement prices. Rebound in demand growth from CY 2017 is expected to support prices in the Southern region.

Due to the limited capacity additions and demand revival, the sector is expected to enter a multi-year earnings growth cycle where it gains pricing and operating leverage.

The Indian cement industry has witnessed a massive capacity addition of over approximately 212 million metric tons during last 8 years. This capacity addition is disproportionately high and concentrated in South India. During the same period, cement capacity alone has increased by approximately 79 million metric tons. This has resulted in significant pressure on capacity utilization and price realization, as well.

Indian cement industry's average utilization has come down drastically from approximately 95% in CY 2008 to approximately 71% in CY 2016, led by weak demand and an oversupply in the industry. Cement demand and capacity utilization are expected to improve, led by a slower pace in capacity addition and better demand prospects.

Until CY 2014, the Southern region (especially in Telangana and Andhra Pradesh) faced demand issues due to political instability and delays in sanctioning projects across the sectors. However, now the Government of Telangana is undertaking major irrigation projects and the Government of Andhra Pradesh is building a new Capital City and is also undertaking projects like Polavaram etc., More than 90% of the Company's cement sales volumes are in the Southern region, almost 33% of which is sold in Andhra Pradesh and Telangana. Hence, the above developments planned for these two states will contribute to the growth in the Cement Business of the Company.



Cement production in the state of Maharashtra was less compare to the demand, due to absence of limestone mines, and hence approximately 50% of its demand is met by the Southern region's cement plants. With no new capacity additions coming online in Maharashtra during the next 3 years, rising utilization of the Southern region's cement facilities will lead to an increase in performance. Volume growth will benefit most Southern-based companies due to their high operating / financial leverage. (The Company has already expanded into new markets such as Maharashtra, Odisha, Kerala, Goa and Pondicherry. These new geographical markets contributed 18% of Cement Sales during CY 2016) repeated statement.

Dividend

An Interim dividend of Rs.9/- per share (90%) on 2,98,05,000 equity shares of Rs.10/- each was paid for the Financial Year ended December 31, 2016 and no further dividend has been recommended for the said year.

Transfer of amount to Reserves

The Company has transferred Rs. 45.67 Million to the general reserves for the Financial Year ended December 31, 2016.

Variations in Networth

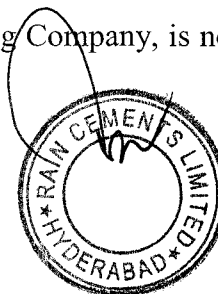
The Networth of the Company for the Financial Year ended December 31, 2016 is Rs.3,801.66 Million as compared to Rs. 5,089.42 Million for the previous Financial year ended December 31, 2015.

Pursuant to the Scheme of Arrangement, Moonglow Company Business Inc. (Wholly owned Subsidiary Company) was amalgamated with Rain Industries Limited (Holding Company) with effect from April 1, 2015 (Appointed Date) and Capital Reserve Account of the Company was reduced from Rs.2,609.57 Million to NIL and the Securities Premium Account was also reduced from Rs.1,830.05 Million to Rs.424.33 Million.

Consolidation of Financial Statements

Pursuant to Rule 6 of the Companies (Accounts) Rules, 2014, preparation of Consolidated Financial Statements by an Intermediate Holding Company is not required. The Company is a Wholly Owned Subsidiary of Rain Industries Limited and further the Company is in turn a Holding Company of Renuka Cement Limited and Rain Coke Limited.

In view of the said Rule, the Company being an Intermediate Holding Company, is not required to prepare Consolidated Financial Statements.



Subsidiary Companies

As per the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies/ Associate Companies/Joint Ventures in Form AOC-1 is enclosed as Annexure- 1 to this Report.

Performance and contribution of each of the Subsidiaries, Associates and Joint Ventures

As per Rule 8 of Companies (Accounts) Rules, 2014, a Report on the financial performance of the Subsidiaries, Associates and Joint Venture Companies of the Company along with their contribution to overall performance of the Company during the Financial Year ended December 31, 2016 is enclosed as Annexure - 2 to this Report.

Scheme of Arrangement between Rain Cements Limited, Rain Industries Limited (Holding Company) and Moonglow Company Business Inc., (Wholly Owned Subsidiary Company)

The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh vide its order dated July 29, 2016 approved the Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 read with Section 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013, between Rain Cements Limited (the Company), Rain Industries Limited (Holding Company), Moonglow Company Business Inc. (Wholly owned Subsidiary Company) and their respective shareholders and creditors.

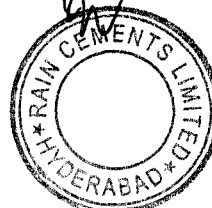
Pursuant to the said Scheme of Arrangement, Moonglow Company Business Inc. (Wholly owned Subsidiary Company) was amalgamated with Rain Industries Limited (Holding Company) with effect from April 1, 2015 (Appointed Date) and Capital Reserve Account of the Company was reduced from Rs.2609.57 Million to NIL and the Securities Premium Account was also reduced from Rs.1,830.05 Million to Rs.424.33 Million.

Waste-heat Recovery based Power Plant

The Company has commenced operations of Waste-heat Recovery based Power Plant on September 22, 2016 to generate upto 6.4 MW Power at its Cement Plant at Unit II situated at Boincheruvupalli Village, Kurnool District, Andhra Pradesh.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 is enclosed as Annexure – 3 to this Report.



The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is enclosed as Annexure – 4 to this Report.

Insurance

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

Deposits

The Company has not invited/accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 during the Financial Year ended December 31, 2016.

Particulars of Loans, Guarantees, Investments and Security under Section 186

The details of Loans, Guarantees, Investments and Security made during the Financial Year ended December 31, 2016 is given in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and the same is appended as Annexure - 5 to the Board's report.

Particulars of Contracts or Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in Form No. AOC-2 is enclosed as Annexure - 6 to this Report.

Directors

Mr. N. Radhakrishna Reddy, Director and Mr. N. Jagan Mohan Reddy, Director of the Company who retires by rotation and being eligible offers themselves for re-appointment.

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the Year

The term of appointment of Mr. G. Krishna Prasad, Independent Director of the Company has expired on September 9, 2016 and the shareholders of the Company by passing a special resolution at their Extra-ordinary General Meeting held on September 6, 2016 have re-appointed Mr. G. Krishna Prasad for second term as an Independent Director for a period of 5 years i.e., from September 10, 2016 to September 9, 2021.



Key Managerial Personnel

The Key Managerial Personnel of the Company as on December 31, 2016 are:

Mr. N. Sujith Kumar Reddy	- Managing Director
Mr. G.N.V.S.R.R. Kumar	- Chief Financial Officer
Mr. K. Saipavan	- Company Secretary

Number of Meetings of the Board held during the Financial Year ended December 31, 2016

During the period from January 1, 2016 to December 31, 2016, Six (6) Board Meetings were held, the details of board meetings are as follows:

February 8, 2016, February 17, 2016, May 3, 2016, August 11, 2016, October 8, 2016 and November 9, 2016.

The Details of Attendance at the Board Meetings are given below:

Name of the Director	Designation	Number of Board Meetings	
		Held	Attended
Mr. N. Radhakrishna Reddy	Chairman	6	5
Mr. N. Sujith Kumar Reddy	Managing Director	6	6
Mr. N. Jagan Mohan Reddy	Director	6	6
Mr. G. Krishna Prasad	Independent Director	6	6
Ms. Nirmala Reddy	Independent Director	6	6

Audit Committee

The Company's Audit Committee comprises of the following:

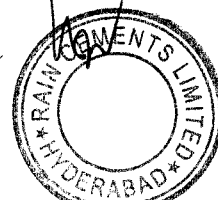
Mr. G. Krishna Prasad	- Chairman
Ms. Nirmala Reddy	- Member
Mr. N. Jagan Mohan Reddy	- Member

Except Mr. N. Jagan Mohan Reddy, all the members of the Audit Committee are Independent Directors.

Number of Meetings of the Audit Committee held during the Financial Year ended December 31, 2016

During the period from January 1, 2016 to December 31, 2016, Five (5) Audit Committee Meetings were held, the details of meetings of Audit Committee are as follows:

February 8, 2016, February 17, 2016, May 3, 2016, August 11, 2016 and November 9, 2016.



Attendance at the Audit Committee Meetings are as follows:

Name of the Director	Number of Meetings	
	Held	Attended
Mr. G. Krishna Prasad	5	5
Mr. N. Jagan Mohan Reddy	5	5
Ms. Nirmala Reddy	5	5

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

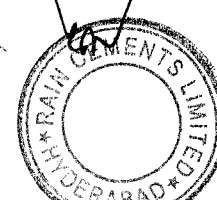
Directors Responsibility Statement under Section 134 of the Companies Act, 2013

Pursuant to Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2016 and of Profit and Loss Account of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts for the Financial Year ended December 31, 2016 on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors

The Company's Auditors, M/s. B S R and Associates LLP , Chartered Accountants (ICAI Regn. No.116231W/W-100024), were appointed as the Statutory Auditors of the Company for a period of 3 years at the 16th Annual General Meeting of the Company, i.e., upto the conclusion of the 19th Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting of the Company.



They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company.

Accordingly, a resolution seeking Members' ratification on appointment of M/s. B S R & Associates LLP, Chartered Accountants, as the Statutory Auditors of the Company for the financial year ending December 31, 2017 is included in the Notice convening the Annual General Meeting.

Auditors Report

M/s. B S R & Associates LLP, Chartered Accountants (ICAI Regn. No.116231W / W-100024) have issued Auditors Report for the Financial Year ended December 31, 2016 and there are no qualifications in Auditors' Report.

Internal Auditors

The Board of Directors of the Company have appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as internal auditors to conduct Internal Audit of the Company for the Financial Year ended December 31, 2016.

Secretarial Auditor

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of the Company have appointed Mr. K. V. Chalama Reddy, Practising Company Secretary (C.P. No. 5451) as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year ended December 31, 2016.

Secretarial Audit Report issued by Mr. K. V. Chalama Reddy, Practising Company Secretary in Form MR-3 is enclosed as Annexure - 7 to this Annual Report.

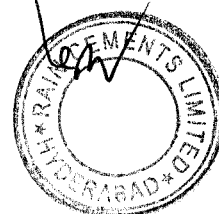
There are no qualifications in Secretarial Audit Report.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the rules made thereunder, cost accounting records are maintained by the Company.

The Company has filed the Cost Audit Report for the Financial Year ended December 31, 2015 with the Central Government.

Your Company has appointed M/s. Sagar & Associates, Cost Accountants, for conducting the cost audit. The Cost Audit Report for the Financial Year ended December 31, 2016 will be submitted to the Central Government within the time stipulated under the Companies Act, 2013.



Board's response on Auditor's qualification, Reservation or adverse Remark or disclaimer made

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report or by the Practicing Company Secretary in the secretarial audit report.

During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

Declaration by Independent Directors

The Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

Meeting of Independent Directors

Meeting of Independent Directors was held on November 9, 2016 without the presence of Executive Director and management personnel. All the Independent Directors are present at the Meeting.

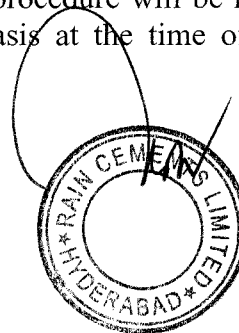
Vigil Mechanism (Whistle Blower Policy)

The Board of Directors of the Company have adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All Directors and all Employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of this mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases.

Risk Management Policy

The Board of Directors of the Company has adopted Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.



Nomination and Remuneration Committee

As per the provisions of Section 178 of the Companies Act, 2013, the Company had constituted Nomination and Remuneration Committee.

The Company's Nomination and Remuneration Committee comprises of the following:

Mr. G. Krishna Prasad	- Chairman
Ms. Nirmala Reddy	- Member
Mr. N. Jagan Mohan Reddy	- Member

During the period from January 1, 2016 to December 31, 2016, three (3) Nomination and Remuneration Committee meetings were held, the details of meetings are as follows:

February 17, 2016, August 11, 2016 and November 9, 2016.

Attendance at the Nomination and Remuneration Committee Meetings are given below

Name of the Director	Number of Meetings	
	Held	Attended
Mr. G. Krishna Prasad	3	3
Ms. Nirmala Reddy	3	3
Mr. N. Jagan Mohan Reddy	3	3

➤ Brief description of terms of reference

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Carry on the evaluation of every director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees;
- Formulation of criteria for evaluation of Independent Directors and the Board; and
- Devising a policy on Board diversity.

➤ Nomination and Remuneration policy

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.



3. To carry out evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Mechanism for Evaluation of the Board

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

Major criteria for evaluation of Independent Directors

- Participation at the Board/Committee meetings, Commitment (including guidance provided to senior management outside of Board/Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality, Independence of behaviour and judgment;
- Impact and influence;
- Exercise of objective independent judgment in the best interest of the Company;
- Ability to contribute to and monitor corporate governance practice; and
- Adherence to the code of conduct for independent directors.

Major criteria for evaluation of Board of Directors

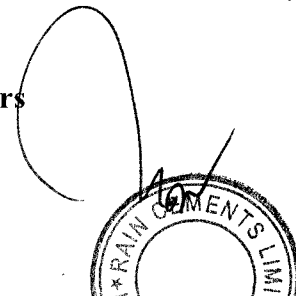
- Development of suitable strategies and business plans at appropriate time and its effectiveness;
- Implementation of robust policies and procedures; and
- Determining the Size, structure and expertise of the Board.

Major criteria for evaluation of Managing Director

- Achievement of financial/business targets prescribed by the Board;
- Developing and managing/executing business plans, operational plans, risk management and financial affairs of the organization; and
- Development of policies and strategic plans aligned with the vision and mission of Company and which harmoniously balance the needs of shareholders, clients, employees and other stakeholders.

Major criteria for evaluation of Non-Executive Directors

- Participation at the Board/Committee meetings;
- Effective deployment of knowledge and expertise; and
- Independence of judgment.



Major criteria for evaluation of Committees

- Discharge of its functions and duties as per its terms of reference, process and procedures followed for discharging its functions effectively; and
- Effectiveness of suggestions and recommendations received.

Major criteria for evaluation of Chairperson of the Board

- Managing relationships effectively with the members of the Board and management;
- Providing ease of raising of issues and concerns by the Board members; and
- Promoting constructive debate and effective decision making at the board meetings.

On the basis of performance evaluation of Board of Directors, Managing Director, Independent Directors, Non-Executive Directors, Committees of Directors and Chairperson of the Board of the Company, all the Directors are recommended for continuation as Directors of the Company. The Directors expressed their satisfaction with the evaluation process.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stakeholders and Society.

The Board of Directors of the Company has constituted Corporate Social Responsibility Committee consisting of following persons:

Mr. N. Radhakrishna Reddy	- Chairman
Mr. N. Jagan Mohan Reddy	- Member
Mr. N. Sujith Kumar Reddy	- Member
Mr. G. Krishna Prasad	- Member

During the period from January 1, 2016 to December 31, 2016, three (3) Corporate Social Responsibility Committee meetings were held, the details of meetings are as follows:

February 16, 2016, May 2, 2016 and August 10, 2016.

Details of Attendance at the Corporate Social Responsibility (CSR) Committee Meetings are given below:

Name of the Director	Number of Meetings	
	Held	Attended
Mr. N. Radhakrishna Reddy	3	3
Mr. N. Jagan Mohan Reddy	3	3
Mr. N. Sujith Kumar Reddy	3	3
Mr. G. Krishna Prasad	3	3



Upon recommendation of Corporate Social Responsibility Committee, the Board of Directors of the Company have adopted policy on Corporate Social Responsibility.

The details of CSR activities undertaken by the Company are given in Annexure-8 to this Report.

Statement of particulars of appointment and remuneration of managerial personnel

The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure-9 to this Annual Report.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements

1. The Company maintains all its records in ERP (SAP) System and the work flow and approvals are routed through ERP(SAP);
2. The Company has appointed Internal Auditors to check the Internal Controls, whether the work flow of organization is being done as per the approved policies of the Company. In every Quarter during approval of Quarterly Financial Statements by the Audit Committee, Internal Auditors will present to the Audit Committee, the Internal Audit Report and Management Comments on the Internal Audit observations; and
3. The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Fixed Assets Policy, Whistle Blower Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The names of Companies which have become or ceased to be Company's Subsidiaries, Joint Venture or Associate Companies during the year

During the Financial Year, Moonglow Company Business Inc., Wholly owned Subsidiary Company is ceased to be Company's Subsidiary pursuant to Scheme of Arrangement between the Company, Moonglow Company Business Inc. and Rain Industries Limited and their respective shareholders and creditors approved by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh on July 29, 2016.

No other Company has become or ceased to be Company's Subsidiary, Joint venture or Associate Company.

Change in the nature of business

There is no change in the nature of business of the Company.



The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no Significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Material Changes and Commitments

There are no material changes and commitments, affecting the financial position of the Company which occurred between the Financial Year ended December 31, 2016 to which the Financial Statements relates and the date of signing of this report.

Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaints during the year.

The Company regularly conducts awareness programs for its employees.

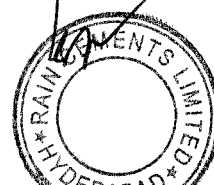
S. No.	Particulars	No.
1	Number of complaints on Sexual harassment received	Nil
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programme against sexual harassment carried out	The Company regularly conducts necessary awareness programmes for its employees
5	Nature of action taken by the employer or district officer	Not Applicable

Indian Accounting Standards (Ind AS)

The company will adopt Indian Accounting Standards (Ind AS) with effect from 1st January, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015.

Compliance with Secretarial Standards on Board and General Meetings

The company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.



Acknowledgement

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the Stakeholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

For and on behalf of the Board of Directors
for **Rain Cements Limited**

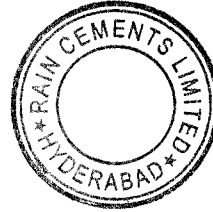


N. Sujith Kumar Reddy
Managing Director
DIN: 00022383



N. Jagan Mohan Reddy
Director
DIN: 00017633

Place: Hyderabad
Date: February 21, 2017



Annexure-1

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

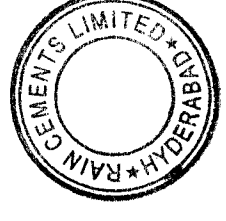
Part-A - Subsidiaries

(Rs. Million)

Name of the Subsidiary Company	The Date when the Subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend	Extent of shareholding (in Percentage)
Renuka Cement Limited	18.03.2011	31.12.2016	INR	10.01	(7.17)	2.96	2.96	-	-	0.05	-	0.05	-	100
Rain Coke Limited	17.03.2015	31.12.2016	INR	132.60	(36.14)	404.97	404.97	-	-	(33.05)	-	(33.05)	-	51

1. Names of subsidiaries which are yet to commence operations:

Sl. No.	Name of the Company and Address
1	Renuka Cement Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India.
2	Rain Coke Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India.



Annexure – 1 (Contd.)

2. Names of subsidiaries which have been liquidated or sold during the year.

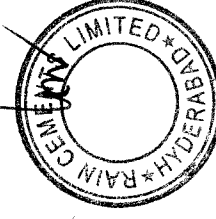
Sl. No.	Name of the Company and Address
1	Moonglow Company Business Inc.* Pasea Estate, Road Town, Tortola, British Virgin Islands

Note: * Merged with Rain Industries Limited (Ultimate Holding Company)

Part- B - Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	Date on which the Associate Company and Joint Venture was Associated or acquired	Shares of Associate/Joint Ventures held by the Company on the year end	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit /Loss for the year	
			Sl. No.	Amount of Investment in Associates/Joint Venture/	Extent of shareholding (in Percentage)		i. Considered in Consolidation	ii. Not Considered in Consolidation
Nil								



Annexure-1 (Contd.)


1. Names of associates or joint ventures which are yet to commence operations

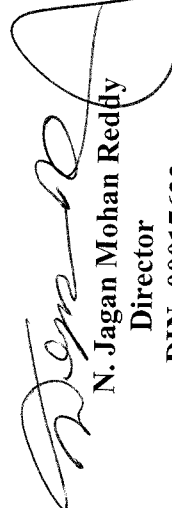
Sl. No.	Name of the Company and Address
	-NIL-

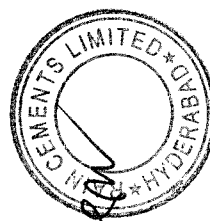
2. Names of associates or joint ventures which have been liquidated or sold during the year.


Sl. No.	Name of the Company and Address
	-NIL-


For and on behalf of the Board of Directors
For Rain Cements Limited


N. Sujith Kumar Reddy
Managing Director
DIN: 00022383


N. Jagan Mohan Reddy
Director
DIN: 00017633




G.N.V.S.R.R. Kumar
Chief Financial Officer
M No. 204139


K. Saipavan
Company Secretary
M No. A31986

Place: Hyderabad
Date: February 21, 2017

Annexure-2

(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014) Report on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies of the Company

Part-A - Subsidiaries

(Rs. Million)

Name of the Subsidiary Company	The Date since the Subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Reporting currency and Exchange rate as on the last date of the Financial Year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend	Extent of shareholding (in Percentage)
Renuka Cement Limited	18.03.2011	31.12.2016	INR	10.01	(7.17)	2.96	2.96	-	-	0.05	-	0.05	-	100
Rain Coke Limited	17.03.2015	31.12.2016	INR	132.60	(36.14)	404.97	404.97	-	-	(33.05)	-	(33.05)	-	51

1. Names of subsidiaries which are yet to commence operations:

Sl. No.	Name of the Company and Address
1	Renuka Cement Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India.
2	Rain Coke limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India.

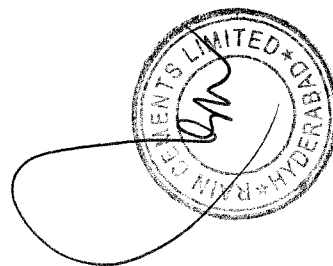


2. Names of subsidiaries which have been liquidated or sold during the year.

Sl. No.	Name of the Company and Address
1	Moonglow Company Business Inc.* Pasea Estate, Road Town, Tortola, British Virgin Islands

Note: * Merged with Rain Industries Limited (Ultimate Holding Company)

Part-B - Associates and Joint Ventures

[illegible]

Annexure-2 (Contd.)


1. Names of associates or joint ventures which are yet to commence operations

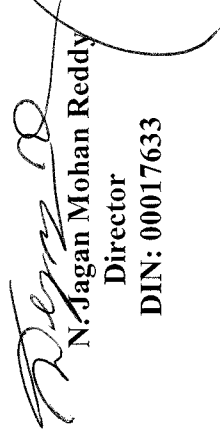
Sl. No.	Name of the Company and Address
	-NIL-

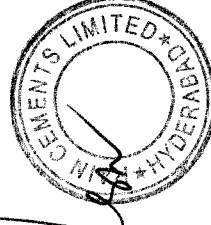
2. Names of associates or joint ventures which have been liquidated or sold during the year.


Sl. No.	Name of the Company and Address
	-NIL-


For and on behalf of the Board of Directors
For Rain Cements Limited


N. Sujith Kumar Reddy
Managing Director
DIN: 00022383


N. Jagan Mohan Reddy
Director
DIN: 00017633




G.N.V.S.R.R. Kumar
Chief Financial Officer
M No. 204139


K. Saipavan
Company Secretary
M No. A31986

Place: Hyderabad
Date: February 21, 2017

Annexure-3

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31.12.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

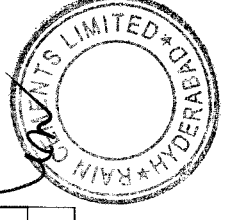
i. CIN	:	U23209TG1999PLC031631
ii. Registration Date	:	May 4, 1999
iii. Name of the Company	:	Rain Cements Limited
iv. Category / Sub-Category of the Company	:	Company Limited by Shares/Public Company
v. Address of the Registered office and contact details	:	Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana State, India. Ph.No.040-40401234, Fax:040-40401214; email: secretarial@rain-industries.com; Website: www.priyacement.com
vi. Whether listed company	:	No
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad - 500 029, Telangana State, India. Phone : +91 040-27638111, Fax: +91 040-27632184, Email: info@arthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

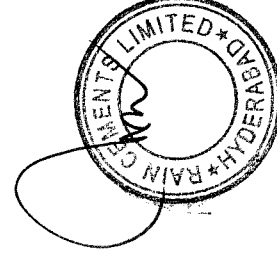
Sl. No.	Name and Description of main Products/Services	NIC Code of the Product/Service*	% to total turnover of the Company
1	Manufacture and Sale of Cement	23941	98.86%
2	Other Income	N.A.	1.14%

* As per National Industrial Classification- 2008



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

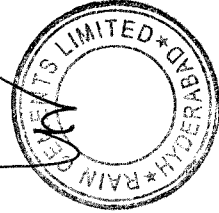
Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Rain Industries Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana, India.	L26942TG1974PLC001693	Holding Company	100	Section 2(46)
2.	Renuka Cement Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana, India.	U26942TG1996PLC025831	Subsidiary Company	100	Section 2 (87)
3.	Rain Coke Limited Regd. Off: Rain Center, 34, Srinagar Colony, Hyderabad - 500073, Telangana, India.	U74900TG2012PLC079823	Subsidiary Company	51	Section 2 (87)



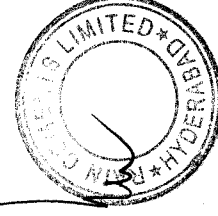
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

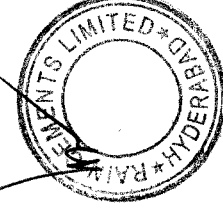
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF*	700	-	700	0.002	700	-	700	0.002	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	29,804,300	-	29,804,300	99.998	29,804,300	-	29,804,300	99.998	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	29,805,000	-	29,805,000	100	29,805,000	-	29,805,000	100	-
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	29,805,000	-	29,805,000	100	29,805,000	-	29,805,000	100	-
Note: *700 equity Shares are held on behalf of Rain Industries Limited (Holding Company)									



Category-wise Shareholding (Contd...)									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corporate									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-



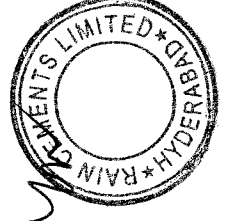
Category-wise Shareholding (Contd...)									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% to Total Shares	Demat	Physical	Total	% to Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corporate									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-



ii. *Shareholding of Promoters*

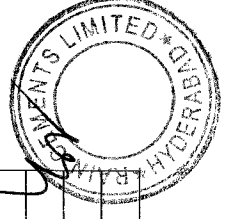
Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year				% change in share Holding During the year
		No. of Shares	% to Total Shares of the company	% to Shares Pledged/ encumbered to total shares	No. of Shares	% to total Shares of the company	% to Shares Pledged/ encumbered to total shares		
1.	Rain Industries Limited	29,804,300	99.9977	0.00	29,804,300	99.9977	0.00	0.00	
2.	Mr. N. Radhakrishna Reddy*	100	0.0003	0.00	100	0.0003	0.00	0.00	
3.	Mrs. N. Indira Reddy*	100	0.0003	0.00	100	0.0003	0.00	0.00	
4.	Mr. N. Jagan Mohan Reddy*	100	0.0003	0.00	100	0.0003	0.00	0.00	
5.	Mrs. N. Anupama Reddy*	100	0.0003	0.00	100	0.0003	0.00	0.00	
6.	Mr. N. Sujith Kumar Reddy*	100	0.0003	0.00	100	0.0003	0.00	0.00	
7.	Mrs. N. Akhila Reddy*	100	0.0003	0.00	100	0.0003	0.00	0.00	
8.	Mr. Y. Santosh Kumar Reddy*	100	0.0003	0.00	100	0.0003	0.00	0.00	
	Total	29,805,000	100.00	0.00	29,805,000	100.00	0.00	0.00	

Note: * The equity Shares are held on behalf of Rain Industries Limited (Holding Company).



iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% to total shares of the company	No. of shares	% to total shares of the company
1	Rain Industries Limited				
	At the beginning of the year	29,804,300	99.9977	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			29,804,300	99.9977
2	Mr. N. Radhakrishna Reddy				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
3	Mrs. N. Indira Reddy				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
4	Mr. N. Jagan Mohan Reddy				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
5	Mrs. N. Anupama Reddy				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
6	Mr. N. Sujith Kumar Reddy				
	At the beginning of the year	100	0.0003	-	-



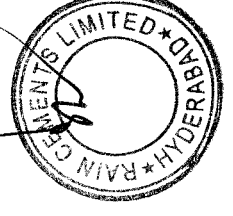
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil
	At the End of the year			
7	Mrs. N. Akhila Reddy			
	At the beginning of the year	100	0.0003	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil
	At the End of the year			
8	Mr. Y. Santosh Kumar Reddy			
	At the beginning of the year	100	0.0003	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil
	At the End of the year			
			100	0.0003

Note: There is no change in the shareholding of Promoters of the Company during the period from January 1, 2016 to December 31, 2016.

iv. Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

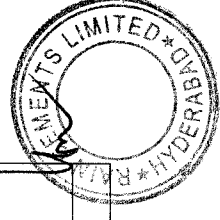
Sl. No.	For each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% to total shares of the company	No. of shares	% to total shares of the company
1.	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease	N.A.	N.A.	N.A.	N.A.
3.	At the End of the year	N.A.	N.A.	N.A.	N.A.

Note: The entire equity Shares are held by the Promoters.

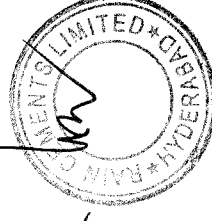


v. Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% to total shares of the company	No. of shares	% to total shares of the company
1.	Mr. N. Radhakrishna Reddy (Chairman)*				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
2.	Mr. N. Sujith Kumar Reddy (Managing Director)*				
	At the beginning of the year	100	0.0003	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
3.	Mr. N. Jagan Mohan Reddy (Director)*				
	At the beginning of the year	100	0.0003		
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
4.	Ms. Nirmala Reddy (Independent Director)				
	At the beginning of the year	Nil	Nil	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003
5.	Mr. G. Krishna Prasad (Independent Director)				
	At the beginning of the year	Nil	Nil	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil
	At the beginning of the year	Nil	Nil	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil



	Key managerial personnel					
1	Mr. N. Sujith Kumar Reddy (Managing Director)*					
	At the beginning of the year	100	0.0003	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil	Nil
	At the End of the year			100	0.0003	
2.	Mr. G.N.V.S.R.R. Kumar (Chief Financial Officer)					
	At the beginning of the year	Nil	Nil	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil	Nil
3.	Mr. K. Saipavan (Company Secretary)					
	At the beginning of the year	Nil	Nil	-	-	-
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil	Nil
	At the End of the year			Nil	Nil	Nil
Note: *Mr. N. Radhakrishna Reddy, Chairman, Mr. N. Sujith Kumar Reddy, Managing Director and Mr. N. Jagan Mohan Reddy, Director of the Company are holding equity shares on behalf of Rain Industries Limited (Holding Company).						

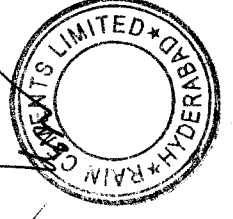


V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. Million

Particulars	Secured Loans excluding deposits (Term Loans / Buyers Credit)	Secured Loans excluding deposits (Working Capital Loans)	Unsecured Loans other than Banks	Deposits	Total Indebtedness
Indebtedness at the Beginning of the Financial Year - 1st January, 2016					
i) Principal Amount-FB	0.00	0.00	0.00	0.00	0.00
i-a) Principal Amount-NFB	0.00	385.49	0.00	0.00	385.49
ii) Interest due but not paid	0.00	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00	0.00
iv) Sales Tax Deferment	0.00	0.00	806.56	0.00	806.56
Total (i+ii+iii+iv)	0.00	385.49	806.56	0.00	1192.05
Change in Indebtedness during the financial year					
Addition	0.00	79.23	0.00	0.00	79.23
Reduction	0.00	399.39	48.64	0.00	448.03
Net Change	0.00	(320.16)	(48.64)	0.00	(368.80)
Indebtedness at the end of the Financial year - 31st December, 2016					
i) Principal Amount-FB	0.00	0.00	0.00	0.00	0.00
i-a) Principal Amount-NFB	0.00	65.33	0.00	0.00	65.33
ii) Interest due but not paid	0.00	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00	0.00
iv) Sales Tax Deferment	0.00	0.00	757.92	0.00	757.92
Total (i+ii+iii+iv)	0.00	65.33	757.92	0.00	823.25

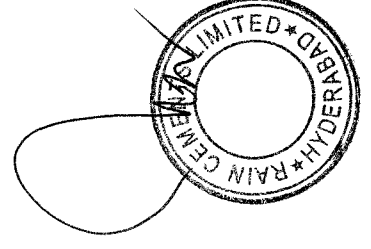


VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. Million)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. N. Sujith Kumar Reddy (Managing Director)	
1	Gross salary		
	(a) Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	18.31	18.31
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.84	0.84
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission		
	- as % of profit	12.50	12.50
	- others, specify	-	-
5	Others, please specify (Company's Contribution to Provident Fund)	1.80	1.80
	Total (A)	33.45	33.45
	Ceiling as per the Act		39.94



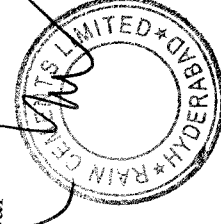
B. Remuneration to other directors:

(Rs. Million)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Ms. Nirmala Reddy	Mr. G. Krishna Prasad	
1.	Independent Directors			
	• Fee for attending board/committee meetings	0.34	0.34	0.68
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	0.34	0.34	0.68
2.	Other Non-Executive Directors			
	• Fee for attending board/committee meetings	0.15	NIL	0.15
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	0.15	NIL	0.15
	Total (B)=(1+2)	-	-	0.83
	Total Managerial Remuneration to Non-Executive Directors			Nil
	Overall Ceiling as per the Companies Act, 2013 for Directors who are neither Managing Director/Whole time Director (1% of Net Profits Calculated in accordance with the Provisions of Section 198 of the Companies Act, 2013)			7.99

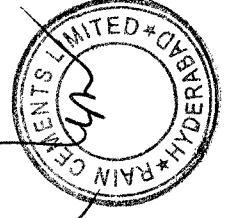
Note: The Company has paid only sitting fees to the Non- Executive Directors and not paid any commission for the Financial Year ended December 31, 2016.

* Independent Directors were paid sitting fees, hence same was not considered in total Managerial Remuneration.



C. Remuneration to Key Managerial Personnel other than MD /Manager /WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs. Million)
		Mr. G.N.V.S.R.R. Kumar	Mr. K. Saipavan	
		CFO	Company Secretary	
1.	Gross salary			
(a)	Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	5.33	0.57	5.90
(b)	Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission:			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify (Company's contribution to Provident Fund)	0.28	0.03	0.31
	Total	5.61	0.60	6.21



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made, if any (give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

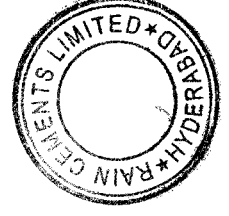
For and on behalf of the Board of Directors
For Rain Cements Limited

N. Sujith Kumar Reddy

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

N. Jagan Mohan Reddy

N. Jagan Mohan Reddy
Director
DIN: 00017633



Place: Hyderabad
Date: February 21, 2017

Information under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

The Company, through its dedicated team of engineers, have been monitoring performance of various plants and equipments to reduce energy consumption. The significant energy conservation measures initiated during the year are given below:

1) The steps taken or impact on conservation of energy

Unit-I (Ramapuram)

1. Replaced colony street lights with LED Street light fittings
2. Replaced conventional lights with LED lights for packing plant section
3. Replacement of additive yard tunnel and DBC tunnels lights with LED lights
4. Kiln Girth Gear Cooling blower Removed
5. Installed VFD for cement mill silo top dust collector
6. Installed High Efficiency motor for Cement mill cooling tower fan
7. High efficiency Water pump (GRUNDFOS) for CCR Central AC Plant
8. High efficiency Motor for P. Plant silo-1 A.S blower - 5.5kw
9. High efficiency Motor for Fly ash Silo B.F fan
10. High efficiency Motor for Stacker Travel drive
11. Installation of new LT & HT Capacitor banks (1000 KVAR)

Unit – II (Sreepuram)

1. WHR-PP (6.4 MW) installed to utilize the exit waste hot gasses from pre-heater and cooler
2. Switched-off one transformer operating in cement mill-2 section to avoid transformer losses as transformers were operating in very nominal load.
3. Installation of VFD for Line 2 Packer-1 bag filter fan.
4. Installation of VFD for Line 2 Packer-2 bag filter fan.
5. Installation of VFD for Line 2 Packer-3 bag filter fan.
6. Removal of damper for Line 2 Packer-1 bag filter fan
7. Removal of damper for Line 2 Packer-2 bag filter fan
8. Removal of damper for Line 2 Packer-3 bag filter fan
9. Removal of damper for Line 2 Cement mill C.A Fan
10. Adjusted the 4 nos. of plates (angle changed 80 to 90 deg.) of raw mill-2 fan damper and optimized the power consumption by reducing the GRR steps from 990 r.p.m to 960 r.p.m.
11. LED flood lights (70W) installed at the place of Portable Halogen lights (1000W).
12. LED lamps installed in plant street and colony quarters (Phase-1)
13. LED lamps installed in plant street and colony quarters (Phase-2)



14. Energy efficient super ceiling fan (30W) installed in colony at the place of conventional fan (90 W).
15. In line-2 raw mill VRM hydraulic control room wall partition done through glass and aluminum sheet to avoid wastage of AC loads.

Unit – III (Bellary)

1. Two no's aeration blower removed from the plc. Circuit & these blowers will switch on only at the time of extraction of the material from silo.
2. Installed one 15 Kilo watt Variable frequency drive for silo bag filter fan for smooth starting & to reduce power consumption.
3. Installed 7.5 Kilo watt Variable frequency drive for bucket elevator output air slide aeration blower for smooth starting & to reduce power consumption.

2) The steps taken by the Company for utilizing alternate sources of energy

–Nil–

3) The Capital investment on energy conservation equipments

Unit-I (Ramapuram)

Rs.66,00,000/-

Unit – II (Sreepuram)

- 1) Waste heat recovery power plant (6.4 MW) - Rs.64,19,48,953/-
- 2) Remaining projects - Rs. 54, 38,278

Unit – III (Bellary)

Rs. 1,06,487/-

B. TECHNOLOGY ABSORPTION:

i. The Efforts made towards technology absorption

Unit-I (Ramapuram)

Nil

Unit – II (Sreepuram)

1. Waste heat recovery from kiln flue gases and generating the Electric power.



2. Replacement of conventional lights with energy efficient LED lighting.
3. Replacement of conventional ceiling fans with Energy efficient ceiling fans.
4. Speed control of process Fans through VFD.
5. CSP tunnel in line-2 clinker, bag filter fan is installed to avoid dust emission from CSP tunnel during operation.

Unit – III (Bellary)

Nil

- ii. The Benefits derived like product improvement, cost reduction, product development or import substitution

Unit-I (Ramapuram)

-Nil-

Unit – II (Sreepuram)

-Nil-

Unit – III (Bellary)

For cost reduction, the following works are done at unit

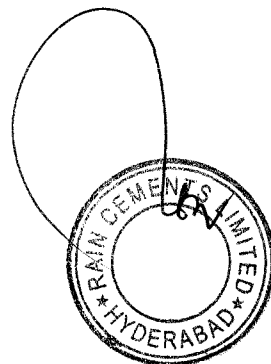
- 15 kw vfd installed for silo bag filter fan motor
- 7.5 Kw vfd installed for Bucket elevator output air slide aeration blower
- 2 No's aeration blowers removed from plc interlocking circuit.
- Power target in the year 2016- 2.1Kwh/M.T.
- Achieved in the year 2016-1.68Kwh/M.T.
- Total units Saved-60097 Units
- Due to conservation of energy, the reduction in cost is Rs. 5,70,921/-

- iii. Details of technology imported during the last three years reckoned from the beginning of the financial year

-Nil-

- iv. The expenditure incurred on Research and Development

-Nil-



C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(Rs.Million)		
Particulars	December 31, 2016	December 31, 2015
Used	0.42	1.61
Earned	NIL	64.97

For and On behalf of the Board of Directors
For Rain Cements Limited

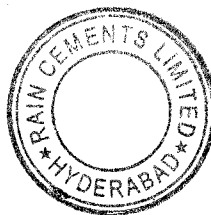


N. Sujith Kumar Reddy
Managing Director
DIN: 00022383



N. Jagan Mohan Reddy
Director
DIN: 00017633

Place: Hyderabad
Date : February 21 , 2017



Annexure – 5**Particulars of Loans, Guarantees, Investments and Security under Section 186 of the Companies Act, 2013****(Rs. Million)****A) Guarantee**


S. No.	Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities)	Amount of loan/ security/ acquisition /guarantee
	(1)	(2)	(3)
1.	Corporate Guarantee	Corporate Guarantee was issued in favour of IDBI Bank Limited, DIFC Branch, P. O. Box: 506805, Level 3, Gate Village-5, Dubai International Financial Center, Dubai, UAE for securing ECB of USD 30 Million availed by Rain Industries Limited (Holding Company), “Rain Center”, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India.	Rs.2,044.74 Million USD 30 Million (1 USD=Rs.68.158 - RBI closing rate on 01.03.2016)


B) Investment

S. No.	Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities)	Amount of loan/ security/ acquisition /guarantee
	(1)	(2)	(3)
1.	Investment	Rain Coke Limited (a Subsidiary Company) “Rain Center”, 34, Srinagar Colony, Hyderabad- 500073, Telangana State, India. Subscription of Compulsorily Convertible Debentures (CCDs)	Rs.156.77 Million

**For and On behalf of the Board of Directors
For Rain Cements Limited**

Place: Hyderabad
Date: February 21, 2017


N. Sujith Kumar Reddy
Managing Director
DIN: 00022383


N. Jagan Mohan Reddy
Director
DIN: 00017633



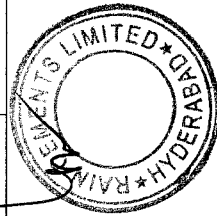
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

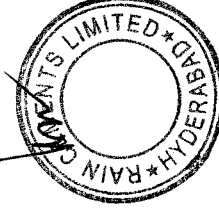
Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. There were no contracts/arrangements entered into by the company with related parties which are not at arm's length basis.
2. Details of contracts or arrangements or transactions entered into by the company with related parties which are at arm's length basis:

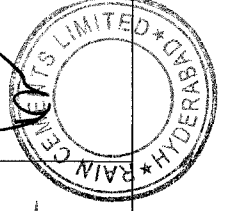
S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Justification for entering into contracts
1	Rain Industries Limited (Holding Company)	To avail Shared Services	From January 1, 2016 to December 31, 2016	Rs. 59.95 Million	February 25, 2015 and February 8, 2016	NIL	Rain Industries Limited, (Holding Company) has set-up Shared Services Center to provide accounting, legal, human resources, corporate communications, corporate finance and information technology support services to its Subsidiary Companies in India and outside India. Accordingly, the Company has entered into contract for availing services from Holding Company.



2	Rain CII Carbon (Vizag) Limited (Fellow Subsidiary)	Purchase of Power	From January 1, 2016 to November 8, 2016	Rs. 156.10 Million	November 7, 2015 and February 8, 2016	NIL	<p>Rain CII Carbon (Vizag) Limited, a fellow subsidiary Company is engaged in the business of manufacture and sale of Calcined Petroleum Coke and generation and sale of electricity.</p> <p>Hence, it is thought appropriate to buy the electricity from Rain CII Carbon (Vizag) Limited, a fellow Subsidiary Company for running of the plants. The transaction is done at Arms length basis and at prevailing market price.</p>
		Purchase of Power	November 9, 2016 December 31, 2016	Rs. 7.17 Million	November 9, 2016	NIL	<p>Rain CII Carbon (Vizag) Limited, a fellow subsidiary Company is engaged in the business of manufacture and sale of Calcined Petroleum Coke and generation and sale of electricity.</p> <p>Hence, it is thought appropriate to buy the electricity from Rain CII Carbon (Vizag) Limited, a fellow Subsidiary Company for running of the plants. The transaction is done at Arms length basis and at prevailing market price.</p>



	Purchase of Green Petroleum Coke	From January 1, 2016 to December 31, 2016	Rs. 17.75 Million	November 7, 2015 and February 8, 2016	NIL	<p>Rain CII Carbon (Vizag) Limited, a fellow subsidiary Company is engaged in the business of Manufacture and sale of Calcinced Petroleum Coke. Green Petroleum Coke is a raw material for manufacturing of Calcined Petroleum Coke. The Company uses Green Petroleum Coke as fuel for manufacture of Cement.</p> <p>The transaction is done at Arms length basis and at prevailing market price. As the transaction is done at Arms length basis and at prevailing market price, it is thought appropriate to buy Green Petroleum Coke from Rain CII Carbon (Vizag) Limited, a fellow subsidiary Company.</p>
	Sale of Cement	From January 1, 2016 to December 31, 2016	Rs. 5.28 Million	November 7, 2015, February 8, 2016 and November 9, 2016	NIL	<p>The Company is engaged in the business of manufacture and sale of Cement. Rain CII Carbon (Vizag) Limited, a fellow Subsidiary Company requires Cement for undertaking civil works at plant location.</p> <p>Further, the transaction is done at Arms length basis and at prevailing market price. Hence, it is thought appropriate to sell Cement to Rain CII Carbon (Vizag) Limited, a fellow subsidiary.</p>
3	Rain Entertainments Private Limited (Enterprise where Managing Director of the Company along with his relatives exercise significant influence)	From January 1, 2016 to December 31, 2016	Rs. 1.72 Million	November 7, 2015 and February 8, 2016	NIL	<p>The Company is engaged in the business of manufacture and sale of Cement. Rain Entertainments Private Limited requires Cement for undertaking civil works at its locations.</p> <p>The transaction is done at Arms length basis and at prevailing market price. Hence, it is thought appropriate to sell Cement to Rain Entertainments Private Limited.</p>



4	Nivee Property Developers Private Limited (Enterprise where Managing Director of the Company along with his relatives exercise significant influence)	Sale of Cement	From November 6, 2016 to December 31, 2016	Rs. 3.63 Million	The Board of Directors of the Company at their meeting held on January 28, 2017 ratified the transaction entered into by the Company with Nivee Property Developers Private Limited	NIL	<p>The Company is engaged in the business of manufacture and sale of Cement. Nivee Property Developers Private Limited requires Cement for undertaking civil works at its locations.</p> <p>The transaction is done at Arms length basis and at prevailing market price. Hence, it is thought appropriate to sell Cement to Nivee Property Developers Private Limited.</p>
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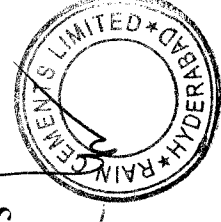
**For and on behalf of the Board of Directors
For Rain Cements Limited**

[Signature]

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

[Signature]

N. Jagan Mohan Reddy
Director
DIN: 00017633



Place: Hyderabad
Date: February 21, 2017



K.V. Chalama Reddy

B.Sc., LL.B., A.C.S.
COMPANY SECRETARY
C.P. No. 5451

Flat No. 301, Madhava Apts.,
Hill Colony, Khairatabad
Hyderabad - 500 004.
Phone : 040-2332 7467
Mobile : 98480 14503
E-mail : kvcr133@gmail.com



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

FORM NO MR 3

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
M/s. Rain Cements Limited,
Hyderabad.

1. I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **M/s. Rain Cements Limited** (hereinafter called as "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
2. Based on my verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the Audit Period covering the Financial Year ended on December 31, 2016 has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Rain Cements Limited** (hereinafter called as "**the Company**") for the financial year from January 1, 2016 and ended on December 31, 2016 ("Audit Period") according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The depositories Act, 1996 and the regulations and Bye-Laws framed thereunder;
 - iii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- iv. The Securities Contracts (Regulation) Act, 1956 and rules made thereunder: *not applicable being the unlisted Company;*
 - v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): *not applicable being the unlisted Company;*
4. I have also examined compliance with applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India
 - ii. The Listing Agreement entered with the stock Exchanges- Not Applicable being unlisted Company.
5. The Company is engaged in the business of manufacture and sale of Cement. Accordingly, the following Industry specific Acts are applicable to the Company, in the view of the Management.
- a. The Mines Act 1952 and Rules made thereunder;
 - b. Mines & Minerals (Development & Regulation) Act, 1957;
 - c. The Explosives Act, 1884 and Explosive Rules, 2008;
 - d. Lime stone & Dolomite Mines Rules, 1973;
 - e. The Electricity Act, 2003 and Rules and Regulations made thereunder;
 - f. Ammonium Nitrate Rules, 2012;
 - g. Petroleum Act, 1934 and Petroleum Rules, 2002;
 - h. Mineral Conservation and Development Rules, 1988; and
 - i. Environment Protection Act, 1986 and other environmental laws.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines and standards etc., as mentioned above.

6 I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance.
- c. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- d. Decisions at the meetings of the Board of directors and Committees of the Board of the Company were taken unanimously.

- e. It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.
7. I further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Hyderabad
Date : February 21, 2017



A handwritten signature in black ink, appearing to read "K.V. Chalama Reddy".

K. V. Chalama Reddy
Practicing Company Secretary
M. No: 13951, C.P.No.5451

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

- i. Eradicating hunger, poverty and malnutrition, promoting sanitation and making available safe drinking water;
- ii. Providing health care, maintaining hospitals, ambulances and conducting medical camps;
- iii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- v. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
- vi. Rural development projects

Web link of the CSR Projects or Programmes: www.pragnyapriya.com

2. The Composition of CSR Committee is as follows:

S. No.	Name	Designation
1	Mr. N. Radhakrishna Reddy	Chairman
2	Mr. N. Jagan Mohan Reddy	Member
3	Mr. N. Sujith Kumar Reddy	Member
4	Mr. G. Krishna Prasad	Member (Independent Director)

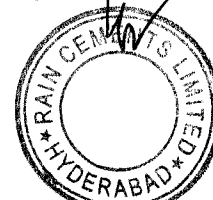
3. Average Net profit for last three Financial Years:

Particulars	For the Financial Year ended December 31 (Rs. Million)		
	2015	2014	2013
Net Profit	1,515.95	50.27	180.22
Average Net Profit for the preceding three Financial Years	582.15		

4. Prescribed CSR expenditure (2% of Rs.582.15 Million): Rs.11.64 Million

5. Details of CSR spend for the financial year:

- a) Total amount to be spent for the financial year: Rs.11.64 Million



b) Amount unspent, if any: Nil

c) Manner in which the amount spent during the financial year is detailed below:

(Rs. Million)

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2)Overheads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent : Direct or through implementing agency
1	Maintenance of Hospital	Promotion of Health	Ramapuram Village, Suryapet District, Telangana and Boincheruvupalli village, Kurnool District of Andhra Pradesh	Rs.7.43 Million	Rs.7.43 Million	Rs.7.43 Million	Direct
2	Providing Ambulance Services	Promotion of Health	Ramapuram Village, Suryapet District, Telangana and Boincheruvupalli village, Kurnool District of Andhra Pradesh	Rs.0.53 Million	Rs.0.53 Million	Rs.0.53 Million	Direct
3	Schools maintained by the Company	Promotion of Education	Ramapuram Village, Suryapet District, Telangana and Boincheruvupalli village, Kurnool District of Andhra Pradesh	Rs.6.69 Million	Rs.6.69 Million	Rs.6.69Million	Direct
4	Drinking Water Facility	Rural Development	Ramapuram Village, Suryapet	Rs.0.37Million	Rs.0.37Million	Rs.0.37Million	Direct

			District, Telangana				
5	Scholarships to students for pursuing Intermediate Education i.e., 11th and 12th Standard	Promotion of Education	Scholarships to students for pursuing Intermediate Education i.e., 11th and 12th Standard are given to economically backward students in the states of Andhra Pradesh and Telangana. In the Districts of Kurnool, Visakhapatnam, Vizianagaram, Nalgonda, Suryapet and Yadadri.	Rs.10.22 Million	Rs.10.22 Million	Rs.10.22 Million	The amount was spent through M/s. Pragnya Priya Foundation, a Section 25 Company under Companies Act, 1956 (Section 8 of the Companies Act, 2013).
6	Donations given by the Company to different activities	Education, Health and Rural Development Activities	In the State of Telangana and Andhra Pradesh	Rs.1.31Million	Rs.1.31Million	Rs.1.31Million	Direct
Total				Rs.26.55 Million	Rs.26.55 Million	Rs.26.55 Million	

6. The Company has spent more than two percent of average net profits of the last three financial years.

7. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of Corporate Social Responsibility Committee



Place: Hyderabad
Date: February 21, 2017

N. Radhakrishna Reddy
Chairman of the Committee
DIN: 00021052



N. Sujith Kumar Reddy
Member & Managing Director
DIN: 00022383



Annexure - 9

Statement of Particulars of Employees pursuant to the Provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name & Designation	Remuneration Received	Nature of Employment	Qualifications and Experience of the Employee	Date of Commencement of Employment*	Age	The Last Employment held before joining the Company	The percentage of Equity Shares held by the Employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5	whether is a relative of any Director or Manager of the Company
Mr. N. Sujith Kumar Reddy, Managing Director	Rs.33.45 Million	Contractual	B.Com, 25 years	November 7, 2015	45 years	Executive Director of Rain Industries Limited	N.A.	Son of Mr. N. Radhakrishna Reddy, Chairman
								Brother of Mr. N. Jagan Mohan Reddy, Director

Note: There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5 (2) (i), (ii) & (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

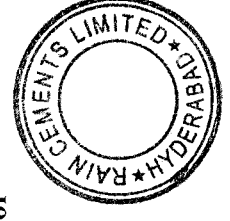
**For and On behalf of the Board of Directors
for Rain Cements Limited**

NK

Place: Hyderabad
Date: February 21, 2017

N. Sujith Kumar Reddy
Managing Director
DIN: 00022383

N. Jagan Mohan Reddy
N. Jagan Mohan Reddy
Director
DIN: 00017633



RAIN CEMENTS LIMITED

**AUDITED
FINANCIAL STATEMENTS
FOR THE
FINANCIAL YEAR
ENDED
DECEMBER 31, 2016**

B S R & Associates LLP

Chartered Accountants

8-2-618/2, Reliance Humsafar,
4th Floor, Road, No. 11,
Banjara Hills
Hyderabad - 500 034. India.

Telephone +91 40 3046 5000
Fax +91 40 3046 5299

Independent Auditor's Report

To the Members of
Rain Cements Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of Rain Cements Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act and the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made thereunder, to the extent applicable.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.



Rain Cements Limited

Independent Auditor's Report to the members of Rain Cements Limited *(continued)*

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31 December 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";



Rain Cements Limited

Independent Auditor's Report to the members of Rain Cements Limited (continued)

Report on Other Legal and Regulatory Requirements (continued)

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements as at 31 December 2016 – Refer note 29A to the Financial Statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024



Sriram Mahalingam

Partner

Membership No.: 049642

Place: Hyderabad

Date: 21 February 2017

Rain Cements Limited

Annexure A to the Independent Auditor's Report on the Financial Statements

With reference to the Annexure A referred to in our report of even date to the Members of Rain Cements Limited ("the Company") on the Financial Statements for the year ended 31 December 2016. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by Management during the year and no material discrepancies were noticed during such verification.
 - (c) According to the information and explanations given to us and records examined by us and based on the confirmation obtained regarding property mortgaged as security we report that, the title deeds of immovable properties as disclosed in the Note 11 to the Financial Statements, are held in the name of the Company.
- ii. Inventories, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and the discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the investments made, guarantees given and security provided by the Company. The Company has not granted any loans to the parties covered under section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales tax, Income-tax, Value added tax, Duty of Customs, Duty of Excise, Service Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales tax, Income-tax, Value Added Tax, Duty of Excise, Duty of Customs, Service Tax, Cess and other material statutory dues that were in arrears as at December 31, 2016 for a period of more than six months from the date they became payable.

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Rain Cements Limited**Annexure A to the Independent Auditor's Report on the Financial Statements (continued)**

- (b) According to the information and explanations given to us, there are no dues of Duty of Customs and Cess which have not been deposited with appropriate authorities on account of any disputes. However, the Company has the following disputed dues with respect to Income-tax, Sales Tax, Value added tax, Excise duty and Service tax:

<u>Name of the Statute</u>	<u>Nature of the Dues</u>	<u>Amount (Rs. millions)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
<i>Andhra Pradesh General Sales Tax Act, 1957</i>	<i>Sales tax</i>	8.15	1991-92 1992-93	<i>Honorable High Court of Andhra Pradesh</i>
	<i>Penalty</i>	18.77	2002-03	<i>Honorable High Court of Andhra Pradesh</i>
	<i>Sales tax</i>	4.25 (1.41)	1995-96	<i>Honorable High Court of Andhra Pradesh</i>
<i>Central Sales Tax Act, 1956</i>	<i>Penalty</i>	14.60 (4.74)	1996-97 1997-98 1998-99 1999-00	<i>Honorable High Court of Andhra Pradesh</i>
<i>Finance Act, 1994</i>	<i>Service tax</i>	0.17 (0.05)	April 2009 to June 2010	<i>Customs, Excise and Service Tax Appellate Tribunal</i>
	<i>Service tax and penalty*</i>	0.52 (0.02)	Jan 2013 to July 2014	<i>Commissioner (Appeals)</i>
	<i>Service tax and penalty*</i>	0.60 (0.02)	May 2014 to Dec 2014	<i>Commissioner (Appeals)</i>
	<i>Service tax and penalty*</i>	30.07 (0.52)	April 2011 to July 2012 August 2012 - December 2012	<i>Customs, Excise and Service Tax Appellate Tribunal</i>
	<i>Service tax and penalty*</i>	4.98 (0.34)	January 2013 - November 2013	<i>Customs, Excise and Service Tax Appellate Tribunal</i>
	<i>Excise duty and Penalty*</i>	6.66 (2.27)	Oct 2012	<i>Customs, Excise and Service Tax Appellate Tribunal</i>

Rain Cements Limited**Annexure A to the Independent Auditor's Report on the Financial Statements (continued)**

<u>Name of the Statute</u>	<u>Nature of the Dues</u>	<u>Amount (Rs. millions)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
<i>Finance Act, 1994</i>	<i>Excise Duty and penalty*</i>	<i>5.45 (5.19)</i>	<i>Nov 2012</i>	<i>Customs, Excise and Service Tax Appellate Tribunal</i>
	<i>Excise duty penalty*</i>	<i>89.74 (88.64)</i>	<i>Aug 2014 to Feb 2015 March 2015 to Dec 2015 April 2015 to March 2016</i>	<i>Customs, Excise and Service Tax Appellate Tribunal</i>
	<i>Excise and penalty*</i>	<i>0.65 (0.32)</i>	<i>March 2008 to Dec 2011</i>	<i>Customs, Excise and Service Tax Appellate Tribunal</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>174.57</i>	<i>AY 2009-10</i>	<i>Deputy commissioner of Income tax</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest*</i>	<i>18.25</i>	<i>AY 2011-12</i>	<i>Income tax Appellate Tribunal</i>
<i>Income Tax Act, 1961</i>	<i>Income Tax and interest</i>	<i>148.92</i>	<i>AY 2012-13</i>	<i>Income tax Appellate Tribunal</i>

* Interest and penalty will be levied separately, as applicable
(Amount in parenthesis represents payment under protest)

- viii. According to information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to the Government. The Company did not have any outstanding dues to any financial institutions or banks nor has it issued any debentures as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

6.

Rain Cements Limited

Annexure A to the Independent Auditor's Report on the Financial Statements (continued)

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or persons connected with him as contemplated under the provisions of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024



Sriram Mahalingam

Partner

Membership No.: 049642

Place: Hyderabad

Date: 21 February 2017

Rain Cements Limited

Annexure B to the Independent Auditor's Report on the Financial Statements

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Rain Cements Limited ('the Company') as of 31 December 2016 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Rain Cements Limited

Annexure B to the Independent Auditor's Report on the Financial Statements (continued)

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 December 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024



Sriram Mahalingam

Partner

Membership No.: 049642

Place: Hyderabad

Date: 21 February 2017

Rain Cements Limited
Balance Sheet as at December 31, 2016

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	Note	As at December 31, 2016	As at December 31, 2015
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	298.05	298.05
(b) Reserves and surplus	4	3,503.61	7,400.94
		3,801.66	7,698.99
2. Non-current liabilities			
(a) Long-term borrowings	5	729.06	759.46
(b) Deferred tax liabilities (net)	6	586.52	477.73
(c) Other Long-term liabilities		264.40	264.40
(d) Long-term provisions	7	467.89	498.78
		2,047.87	2,000.37
3. Current liabilities			
(a) Trade payables	8		
A) total outstanding dues of micro enterprises and small enterprises		3.44	5.95
B) total outstanding dues of creditors other than micro and small enterprises		751.74	952.86
(b) Other current liabilities	9	929.02	966.13
(c) Short-term provisions	10	3.11	8.44
		1,687.31	1,933.38
TOTAL		7,536.84	11,632.74
B. ASSETS			
1. Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		4,100.65	3,747.95
(ii) Intangible assets		1.68	1.37
(iii) Capital work-in-progress		35.97	423.19
		4,138.30	4,172.51
(b) Non-current investments	12	370.59	4,229.06
(c) Long-term loans and advances	13	434.81	552.43
(d) Other non-current assets	14	4.60	1.86
		810.00	4,783.35
2. Current assets			
(a) Current investments	15	-	135.62
(b) Inventories	16	1,067.55	838.63
(c) Trade receivables	17	169.18	172.82
(d) Cash and bank balances	18	1,147.51	1,094.20
(e) Short-term loans and advances	19	180.48	411.69
(f) Other current assets	20	23.82	23.92
		2,588.54	2,676.88
TOTAL		7,536.84	11,632.74
Corporate information	1		
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached
for **BSR & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024



Sriram Mahalingam

Partner

Membership number: 049642

for and on behalf of the Board of Directors



N. Sujith Kumar Reddy

Managing Director

DIN:00022383



N. Jagan Mohan Reddy

Director

DIN:00017633



G.N.V.S.R.R. Kumar

Chief Financial Officer



K. Saipavan

Company Secretary



Rain Cements Limited**Statement of Profit and Loss for the year ended December 31, 2016**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	Note	For the year ended December 31, 2016	For the year ended December 31, 2015
I. Revenue:			
Revenue from operations (gross)	21	11,117.65	12,013.04
Less: Excise duty		1,566.81	1,666.23
Revenue from operations (net)		9,550.84	10,346.81
Other income	22	109.86	93.47
Total revenue		9,660.70	10,440.28
II. Expenses			
Cost of materials consumed	23	1,178.92	1,080.17
Purchase of stock-in-trade		3.27	0.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(189.23)	121.71
Employee benefits expense	25	462.86	403.97
Finance costs	27	2.34	9.40
Depreciation and amortisation expense	11	425.02	378.71
Less: Captive consumption of cement		(4.15)	(5.55)
Other expenses	26	7,026.22	6,943.42
Total expenses		8,905.25	8,932.16
III. Profit before tax (I - II)		755.45	1,508.12
IV. Tax expenses	28	298.79	443.60
V. Profit for the period/year (III - IV)		456.66	1,064.52
Earnings Per Share (Face value of Rs. 10 each)	39		
- Basic and Diluted		15.32	35.72
Corporate information	1		
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

for and on behalf of the Board of Directors


Sriram Mahalingam

Partner

Membership number: 049642


N. Sujith Kumar Reddy

Managing Director

DIN:00022383


N. Jagan Mohan Reddy

Director

DIN:00017633


G.N.V.S.R.R. Kumar

Chief Financial Officer

M No. 204139


K. Saipavan

Company Secretary

M No. A31986

Place: Hyderabad

Date: February 21, 2017

Place: Hyderabad

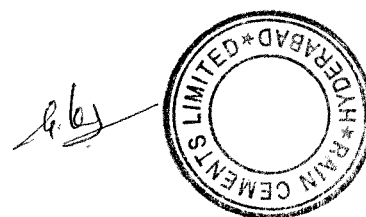
Date: February 21, 2017



Rain Cements Limited
Cash Flow Statement for the Year ended December 31, 2016

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	For the year ended December 31, 2016	For the year ended December 31, 2015
A Cash flow from operating activities		
Profit before tax	755.45	1,508.12
Adjustments for :		
Depreciation and amortisation expenses	425.02	378.71
Interest income on bank deposits and long-term investments	(97.19)	(80.72)
Dividend from current investments	(9.17)	(9.66)
Interest and other borrowing costs	2.34	9.40
Provision for doubtful debts	0.82	(0.43)
Liabilities no longer required, written back	(0.61)	(0.08)
Loss on sale of fixed assets (net)	9.13	7.83
	<u>330.34</u>	<u>305.05</u>
Operating profit before working capital changes	1,085.79	1,813.17
Adjustments for :		
Inventories	(228.91)	71.79
Trade receivables	2.84	(0.72)
Loans and advances and other assets	102.64	(7.21)
Trade payables, other liabilities and provisions	(205.77)	130.31
	<u>(329.20)</u>	<u>194.17</u>
Cash generated from operations	756.59	2,007.34
Income tax paid, net	(239.08)	(208.73)
Net cash flow from/(used in) operating activities	517.51	1,798.61
B Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(333.68)	(565.01)
Other advances received	-	264.40
Trade investments	(0.04)	59.76
Proceeds from sale of fixed assets	4.06	6.07
Proceeds from sale of investments	135.62	13.00
Purchase of investments	-	(72.65)
Dividend received on Current investments	9.17	9.66
Interest received	96.75	69.04
Bank deposits (having original maturity of more than three months)	(1,012.52)	404.67
Redemption/ maturity of bank deposits (having original maturity of more than three months)	772.99	(774.85)
Advance paid for Debentures in Subsidiary Company	-	(156.77)
Net cash flow from/(used in) investing activities	(327.65)	(742.68)
C Cash flow from financing activities		
Repayment of long-term borrowings	-	(336.83)
Sales tax deferment paid	(48.70)	(46.40)
Finance costs paid	(2.34)	(20.37)
Payment of dividend including dividend tax paid	(322.85)	(405.36)
Net cash flow from/(used in) financing activities	(373.89)	(808.96)
Net increase in cash and cash equivalents	(184.02)	246.97
Cash and cash equivalents - opening balance	321.21	74.24
Cash and cash equivalents - closing balance	137.19	321.21



Rain Cements Limited

Cash Flow Statement for the Year ended December 31, 2016

All amounts are in Indian Rupees Millions, except share data and where otherwise stated

Notes:

	As at December 31, 2016	As at December 31, 2015
a) Cash and Cash equivalents - Closing Balance	137.19	321.21
Add: Other bank balances	1,010.32	772.99
Cash and bank balances - Closing Balance (refer note 19)	<u>1,147.51</u>	<u>1,094.20</u>

b) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

Corporate information

Significant accounting policies

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024



Sriram Mahalingam

Partner

Membership number: 049642

for and on behalf of the Board of Directors



N. Sujith Kumar Reddy

Managing Director

DIN:00022383



G.N.V.S.R.R. Kumar

Chief Financial Officer

M No. 204139



N. Jagan Mohan Reddy

Director

DIN:00017633



K. Saipavan

Company Secretary

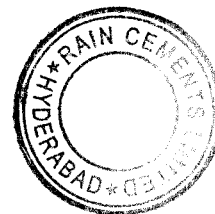
M No. A31986

Place: Hyderabad

Date: February 21, 2017

Place: Hyderabad

Date: February 21, 2017



Rain Cements Limited

Notes forming part of financial statements

All amounts are in Indian Rupees millions, except share data and where otherwise stated

1. Corporate information:

Rain Cements Limited ('the Company') which was originally incorporated on 4 May, 1999. The Company is engaged in the business of manufacture and sale of cement. Company's production facilities are located at Nalgonda district in the State of Telangana, Kurnool district in the State of Andhra Pradesh and Packing facility at Bellary district of Karnataka State.

Rain Cements Limited., is a wholly owned Subsidiary of Rain Industries Limited.

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented on the accrual basis of accounting in accordance with accounting principles generally accepted in India (Indian GAAP). Indian GAAP comprises Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act, 2013 (Collectively) referred to as "IGAAP". The financial statements are presented in Indian Rupees rounded off to the nearest million.

2.2 Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current and non-current classification

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is expected to be realised within 12 months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.



Rain Cements Limited

Notes forming part of financial statements

All amounts are in Indian Rupees millions, except share data and where otherwise stated

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's operating cycle is within a period of 12 months.

2.4 Inventories

Inventories comprises of raw materials, work-in-progress, finished goods, packing material, goods in transit, stores and spares, stock-in-trade and fuel.

Inventories are carried at lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determination of cost, weighted average cost method is used. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Raw material and other supplies held for use in the production of finished goods are not written down below cost except in cases where the material prices have declined and it is estimated that the cost of finished products will exceed their net realisable value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

Cash and cash equivalents for the purpose of cash flow comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

Rain Cements Limited

Notes forming part of financial statements

All amounts are in Indian Rupees millions, except share data and where otherwise stated

2.7 Other income

Dividend income is recognised when the Company's right to receive dividend is established.

Interest income is recognised using the time proportion method, based on the underlying interest rates.

2.8 Fixed assets, depreciation and impairment

Fixed assets are stated at actual cost or valuation less accumulated depreciation. Cost includes freight, installation cost, duties and taxes, interest on specific borrowings utilized for financing the assets and other incidental expenses.

Effective from January 1, 2015 the Company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Depreciation on fixed assets is provided using the straight-line method based on the useful life of the assets as prescribed by Schedule II to the Companies Act, 2013. For plant and machinery based on the technical evaluation and assessment, the Company believes that the useful lives adopted (3-15 years) by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

The cost of land used for mining is amortised over the estimated period of mining rights granted.

All the fixed assets are assessed for any indication of impairment, at the end of each financial year. On such indication, the impairment loss, being the excess of carrying value over the recoverable value of the assets, is charged to the Statement of Profit and Loss in the respective financial years. The impairment loss recognized in the prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

2.9 Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency are restated at the prevailing year end rates. The resultant gain/loss upon such restatement along with the gain/loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognized in the Statement of Profit and Loss.

2.10 Investments

Long term investments are stated at cost less provision for diminution, other than temporary, if any, in the value of such investments. Current investments are carried at the lower of cost and fair value.



Rain Cements Limited

Notes forming part of financial statements

All amounts are in Indian Rupees millions, except share data and where otherwise stated

2.11 Employee benefits

Defined contribution plans

Contributions paid/payable under defined contribution plans are recognised in the Statement of Profit and Loss each year. Contribution plans comprises of Provident Fund, administered and managed by the Government of India. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

Defined benefit plans

The Company has a defined benefit Gratuity plan covering all its employees. Gratuity is covered under a scheme administered by Life Insurance Corporation of India (LIC). The liability as at the balance sheet date is provided based on an actuarial valuation carried out by an independent actuary, in accordance with Accounting Standard 15 on 'Employee Benefits' (AS 15).

Other long-term employee benefits

Other long-term employee benefits comprise of compensated absence which is provided for based on an actuarial valuation carried out in accordance with revised AS15 as at the end of the year.

Short-term employee benefits

Employee benefits payable in full within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

All actuarial gains and losses arising during the year are recognised in the Statement of Profit and Loss for the year.

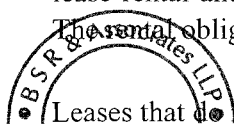
2.12 Borrowing costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

2.13 Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges are reflected as finance lease obligations.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases



Rain Cements Limited

Notes forming part of financial statements

All amounts are in Indian Rupees millions, except share data and where otherwise stated

2.14 Earnings per share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

2.15 Taxes on income

Income tax expense comprises current tax and deferred tax change or credit.

Current tax is determined based on the amount of tax payable in respect of taxable income for the year calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax is recognized on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods subject to consideration of prudence. Deferred tax assets are not recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets and liabilities have been computed on timing differences applying the enacted tax rates.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.16 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed as contingent liabilities unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.



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Rain Cements Limited

Notes forming part of the financial statements (continued)

All amounts are in Rupees millions, except share data and where otherwise stated

Note 3: Share capital

	As at December 31, 2016		As at December 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each	50,000,000	500.00	50,000,000	500.00
Total	50,000,000	500.00	50,000,000	500.00
Issued, subscribed and paid up				
Equity shares of Rs. 10 each	29,805,000	298.05	29,805,000	298.05
Total	29,805,000	298.05	29,805,000	298.05

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

	As at December 31, 2016		As at December 31, 2015	
Particulars	Number of shares	Amount	Number of shares	Amount
As at beginning of the year	29,805,000	298.05	29,805,000	298.05
Changes during the year	-	-	-	-
As at end of the year	29,805,000	298.05	29,805,000	298.05

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

During the year ended December 31, 2016, the amount of Interim dividend recognised as distributions to equity shareholders was Rs. 9.00 per share (year ended December 31, 2015: Rs.11.30 per share)

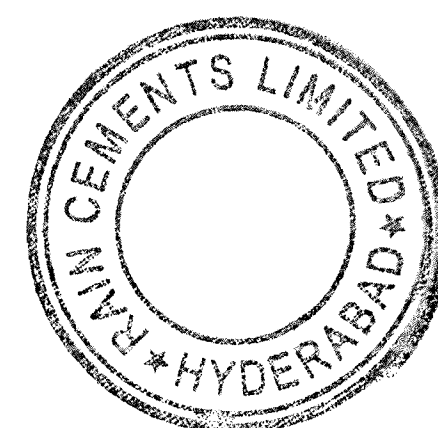
(iii) Shares held by holding company

	As at December 31, 2016		As at December 31, 2015	
Particulars	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up held by				
Holding Company - Rain Industries Limited along with its nominees	29,805,000	298.05	29,805,000	298.05
	29,805,000	298.05	29,805,000	298.05

(iv) Details of equity shares held by each shareholder holding more than 5% shares:

	As at December 31, 2016		As at December 31, 2015	
Name of the shareholder	Number of shares	%	Number of shares	%
Rain Industries Limited along with its nominees	29,805,000	100%	29,805,000	100%

Q.6



Rain Cements Limited
Notes forming part of the financial statements (continued)

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	<u>As at December 31, 2016</u>	<u>As at December 31, 2015</u>
Note 4: Reserves and surplus		
(a) Capital reserve		
Opening balance	2,609.57	2,609.57
Less : Adjustment on account of transfer of Investment in Moonglow Company Business Inc., Bvi (Refer note 42)	(2,609.57)	-
Closing balance	<u>-</u>	<u>2,609.57</u>
(b) Securities premium account		
Opening balance	1,830.05	1,830.05
Less : Adjustment on account of transfer of Investment in Moonglow company business inc., Bvi (Refer note 42)	(1,405.72)	-
Closing balance	<u>424.33</u>	<u>1,830.05</u>
(c) General reserve		
Opening balance	480.97	374.52
Add : Amount transferred from surplus in the statement of profit and loss	45.67	106.45
Closing balance	<u>526.64</u>	<u>480.97</u>
(d) Surplus in the statement of profit and loss		
Opening balance	2,480.35	1,946.04
Add : Profit for the year	456.66	1,064.52
Less : Interim dividend	268.25	336.80
Tax on interim dividend	54.61	68.56
Transfer to general reserve	45.67	106.45
	<u>368.53</u>	<u>511.81</u>
Less : Depreciation as per Transitional provisions of Companies Act, 2013 net of deferred tax	-	18.40
Less : Adjustment on account of Component accounting	15.84	-
	<u>2,552.64</u>	<u>2,480.35</u>
Total (a+b+c+d)	<u><u>3,503.61</u></u>	<u><u>7,400.94</u></u>

Note 5: Long-term borrowings
Unsecured
Deferred payment liabilities:

Sales tax deferment (refer note (a) below)	757.92	806.56
Less: Current maturities (refer note (i) below)	28.86	47.10
	<u>729.06</u>	<u>759.46</u>
Total	<u><u>729.06</u></u>	<u><u>759.46</u></u>

Notes :

(i) The aggregate of the current portion amounting to Rs. 28.86 (December 31, 2015: Rs. 47.10) has been disclosed under note 9 - Other current liabilities as current maturities of long-term borrowings.

a. Deferred payment liabilities

Sales tax deferment represents interest free liability. Balance outstanding is repayable in 101 monthly installments based on deferment schedule.



Rain Cements Limited**Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	As at December 31, 2016	As at December 31, 2015
Note 6: Deferred tax liabilities (net)		
Deferred tax liability		
On account of depreciation	655.53	542.03
Deferred tax asset		
On account of employee benefits	31.15	26.71
On account of deferred payment liabilities	31.22	31.22
On account of others	6.64	6.37
	586.52	477.73

Note 7: Long-term provisions**Provision for employee benefits**

Gratuity (Refer note 34(b))	66.48	50.81
Compensated absences (Refer note 34 (c))	20.43	17.94

Other provision

Provision for tax (net of advance tax of Rs. 1,278.08 (December 31, 2015: Rs. 1,039.03))	380.98	430.03
	467.89	498.78

Note 8: Trade payables

Trade payables		
A) total outstanding dues of micro enterprises and small enterprises	3.44	5.95
B) total outstanding dues of creditors other than micro and small enterprises	751.74	952.86
	755.18	958.81

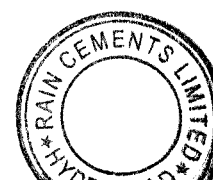
Disclosures under the Micro, Small and Medium Enterprises Act, 2006

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	3.44	5.95
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the management.



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Rain Cements Limited**Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

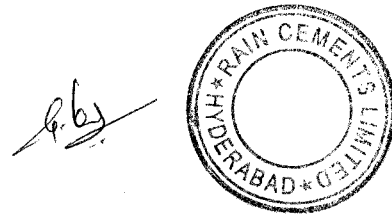
Note 9: Other current liabilities

	As at December 31, 2016	As at December 31, 2015
Current maturities of long-term debt (refer note 5)	28.86	47.10
Security deposits	217.03	268.48
Advance from customers	94.51	77.04
Payables for purchase of fixed assets	16.70	19.96
Retention money	0.65	0.32
Statutory remittances	251.76	264.14
Provision for dealer discounts	251.59	250.40
Other liabilities	67.92	38.69
	<u>929.02</u>	<u>966.13</u>

Note 10: Short-term provisions**Provision for employee benefits**

Compensated absences (refer note 34(c))

	3.11	8.44
	<u>3.11</u>	<u>8.44</u>



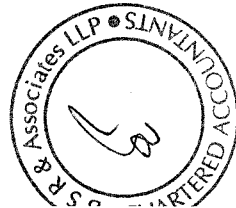
ements Limited
forming part of the financial statements (continued)

ounts are in Indian Rupees millions, except share data and where otherwise stated

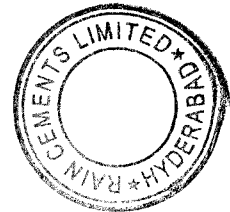
I : Fixed assets

Description	Gross block (at cost / professional valuation)				Depreciation / Amortisation				Net block	
	As at January 1, 2016	Additions	Deletions/ Adjustment	As at December 31, 2016	As at January 1, 2016	For the period	On Deletions	On Transfer to Retained Earnings Refer Note-4 (d)	As at December 31, 2016	As at December 31, 2015
angible assets										
Freehold	78.70	1.99	-	80.69	-	-	-	-	80.69	78.70
Leasehold	36.88	3.58	-	40.46	1.31	0.33	-	-	38.82	35.57
ilding (refer note below)	895.28	80.02	2.61	972.69	180.80	43.33	0.79	-	749.35	714.48
nt and equipment	4,519.11	686.93	57.79	5,148.25	1,707.64	357.95	50.14	15.84	3,116.96	2,811.47
niture and fixtures	70.32	7.56	0.36	77.52	8.18	3.36	0.33	-	66.31	62.14
ice equipment	40.26	14.97	6.39	48.84	37.83	8.28	6.20	-	8.93	2.43
icles	73.81	10.91	6.41	78.31	30.65	10.96	2.89	-	39.59	43.16
	5,714.36	805.96	73.56	6,446.76	1,966.41	424.21	60.35	15.84	4,100.65	3,747.95
is year	5,689.15	69.27	44.06	5,714.36	1,599.94	378.23	30.17	18.41	1,966.41	3,747.95
angible assets										
ware	2.19	1.12	-	3.31	0.82	0.81	-	-	1.68	1.37
	2.19	1.12	-	3.31	0.82	0.81	-	-	1.68	1.37
is year	0.93	1.26	-	2.19	0.34	0.48	-	-	1.37	
total (A+B)	5,716.55	807.08	73.56	6,450.07	1,967.23	425.02	60.35	15.84	4,102.33	3,749.32
is year	5,690.07	70.53	44.06	5,716.55	1,600.27	378.71	30.17	18.41	1,967.23	3,749.32
ital work-in-progress										
ital work-in-progress										
									35.97	423.19
									35.97	423.19

Represents buildings constructed on leasehold land and depreciated over the lease period.



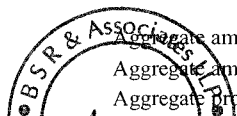
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Rain Cements Limited
Notes forming part of the financial statements (continued)

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	<u>As at December 31, 2016</u>	<u>As at December 31, 2015</u>
Note 12: Non-current investments (value at cost unless stated otherwise)		
Trade investments, unquoted		
A) Investment in equity instruments of:		
i) Subsidiaries		
a) Moonglow Company Business Inc., BVI 97,805,000 (December 31, 2015: 97,805,000 ordinary shares of US\$ 1 each, fully paid up (Refer note 43)	-	4,015.29
b) Renuka Cement Limited 1,001,400 (December 31, 2015: 1,001,400) equity shares of Rs. 10 each fully paid up	130.01	130.01
c) Rain Coke Limited i) 6,762,600 (December 31, 2015: 6,762,600) equity shares of Rs. 10 each fully paid up ii) Debentures in Rain Coke Limited 12.5% 15,677,000 Compulsory Convertible Debentures of Rs. 10 each	67.62 156.77	67.62 -
ii) Other entities		
Andhra Pradesh Gas Power Corporation Limited 134,000 (December 31, 2015: 134,000) equity shares of Rs. 10 each fully paid up	16.00	16.00
B) Investment in Government securities		
a) Investment in National Savings Certificates	0.19	0.14
	<u>370.59</u>	<u>4,229.06</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of un-quoted investments	370.59	4,229.06
Aggregate provision for diminution in value of investments	-	-
Note 13: Long term loans and advances (Unsecured, considered good unless stated otherwise)		
Capital advances	26.12	115.58
Security deposit	229.97	258.24
Balances with Government bodies	28.25	28.17
Advance tax (net of provision for tax of Rs. 341.14 (December 31, 2015: Rs. 153.04))	150.47	150.44
	<u>434.81</u>	<u>552.43</u>
Note 14: Other non-current assets		
Balances with banks held as margin money (refer note 18)	4.06	1.86
Interest accrued on deposits	0.54	-
	<u>4.60</u>	<u>1.86</u>
Note 15: Current investments (value at cost unless stated otherwise)		
Investment in mutual funds of:		
a) Frankling Templeton Investments	-	25.22
b) ICICI Prudential Flexible Income-Direct Plan-Growth	-	100.36
c) IDFC Arbitrage Fund-Dividend -(Direct Plan)	-	10.04
	<u>-</u>	<u>135.62</u>
Aggregate amount of quoted investments	-	-
Aggregate amount of un-quoted investments	-	135.62
Aggregate provision for diminution in value of investments	-	-



Rain Cements Limited
Notes forming part of the financial statements (continued)

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	As at December 31, 2016	As at December 31, 2015
Note 16: Inventories		
(At lower of cost and net realisable value)		
Raw materials (includes stock-in-transit of Rs.1.03)	80.47	97.61
Work-in-progress	423.93	222.41
Finished goods	120.46	132.75
Packing materials (includes stock-in-transit of Rs. 5.50 (December 31, 2015: Rs. 5.36))	29.95	25.42
Stores and spares (includes stock-in-transit of Rs. 4.19 (December 31, 2015: Rs. 5.14))	147.50	135.77
Fuel (includes stock-in-transit of Rs. 27.16 (December 31, 2015: Rs. 26.66))	265.24	224.67
	1,067.55	838.63

Note 17: Trade receivables

Trade receivables outstanding for a period exceeding six months from the date they were due for payment:

Secured, considered good	13.02	33.45
Unsecured, considered doubtful	19.18	18.41
	32.20	51.86
Less : Provision for doubtful trade receivables	(19.18)	(18.41)
	13.02	33.45
Other receivables		
Secured, considered good	75.05	59.27
Unsecured, considered good	81.11	80.10
	169.18	172.82

Note 18: Cash and bank balances
Cash and cash equivalents

Cash on hand	0.23	0.21
Cheques/drafts on hand	1.70	12.78
Balances with banks:		
Current accounts	15.26	56.22
Deposit accounts (with original maturity of 3 months or less)	120.00	252.00
(A)	137.19	321.21

Other bank balances

Bank deposit	996.00	760.12
Balances held as margin money	18.38	14.73
Less: Non-current bank balances - (refer note 14)	4.06	1.86
(B)	1,010.32	772.99
(A+B)	1,147.51	1,094.20

Details of bank balances/deposits

Balances with bank available in term deposits/on demand with original maturity of 3 months or less included under 'Cash and cash equivalents'	135.26	308.22
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	1,010.32	772.99
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 14)	4.06	1.86
	1,149.64	1,083.07



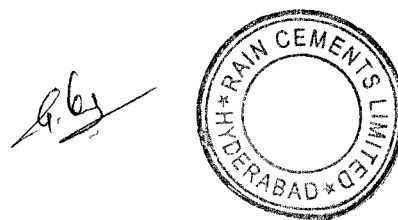
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Rain Cements Limited**Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	<u>As at</u> <u>December 31, 2016</u>	<u>As at</u> <u>December 31, 2015</u>
Note 19: Short-term loans and advances		
(Unsecured, considered good unless stated otherwise)		
To parties other than related parties		
- Security deposits	9.75	10.80
- Advances to supplier and service providers	139.04	103.50
- Advance paid for Debentures in Subsidiary Company	-	156.77
- Prepaid expenses	7.94	6.13
- Loans to employees	0.32	0.63
- Balance with Government authorities:		
Cenvat credit receivable	18.02	126.54
Others	5.41	7.32
	<u>180.48</u>	<u>411.69</u>
Note 20: Other current assets		
Interest accrued on deposits with banks	<u>23.82</u>	<u>23.92</u>
	<u>23.82</u>	<u>23.92</u>



Rain Cements Limited**Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	For the year ended December 31, 2016	For the year ended December 31, 2015
Note 21: Revenue from operations		
Revenue from operations		
Manufactured		
- Cement	11,105.56	11,958.86
Traded		
- Fly ash	3.57	0.35
Other operating revenue		
- Scrap sales	8.52	7.87
- Rebate and incentive - power tariff	-	5.41
- Rebate and incentive - value added tax	-	40.55
Revenue from operations (gross)	11,117.65	12,013.04
Note 22: Other income		
Interest income on:		
- Bank deposits	97.19	80.72
Dividend on mutual funds	9.17	9.66
Liabilities no longer required, written back	0.61	0.08
Miscellaneous income	2.89	3.01
	109.86	93.47
Note 23: Cost of materials consumed		
Materials consumed		
Lime stone	254.00	183.69
Laterite	233.09	181.79
Gypsum	117.23	121.16
Fly ash	526.15	512.34
Iron ore	43.40	54.00
Dolomite/Bauxite	2.92	2.34
Others	2.13	24.85
	1,178.92	1,080.17
Note 24: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year		
Work-in-progress	423.93	222.41
Finished goods	120.46	132.75
	544.39	355.16
Inventories at the beginning of the year		
Work-in-progress	222.41	359.71
Finished goods	132.75	117.16
	355.16	476.87
	(189.23)	121.71
Note 25: Employee benefits expense		
Salaries, wages and bonus (refer note 34(c))	376.85	345.99
Contribution to provident and other fund (refer note 34 (a) and 34(b))	44.63	23.78
Staff welfare expenses	41.38	34.20
	462.86	403.97



Rain Cements Limited**Notes forming part of the financial statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

	For the year ended December 31, 2016	For the year ended December 31, 2015
Note 26: Other expenses		
Consumption of stores and spares	306.80	310.08
Consumption of packing materials	362.46	381.55
Change in excise duty on inventory	(0.22)	0.37
Power and fuel	2,206.87	2,251.85
Rent (refer note 38)	50.03	51.99
Rates and taxes	4.66	42.09
Insurance	11.24	10.80
Repairs and maintenance :		
- Plant and equipment	96.55	96.22
- Buildings	1.39	1.06
- Others	77.98	79.19
Selling and distribution	3,567.31	3,427.27
Cash discounts	97.84	85.24
Travelling and conveyance	33.34	25.91
Communication costs	6.60	7.02
Printing and stationery	3.32	3.53
Legal and professional fee	23.31	20.74
Payments to auditors (refer note (i) below)	1.89	1.90
Directors' sitting fee	0.83	0.61
Provision for doubtful debts	0.82	(0.43)
Loss on sale of fixed assets (net)	9.13	7.83
Commission to Directors	12.50	15.00
Charges on non lifting of fly-ash	32.77	27.11
Donations	12.25	3.91
Miscellaneous expenses	106.55	92.58
	7,026.22	6,943.42

Note:

(i) Payments to auditors comprises (net of service tax)

Statutory audit	1.35	1.35
Limited reviews	0.45	0.45
Reimbursement of expenses	0.09	0.10
	1.89	1.90

Note 27: Finance costs

Interest on:		
- borrowings	1.34	7.59
- others	0.36	0.39
Bank and finance charges	0.64	1.42
	2.34	9.40

Note 28: Tax expense

Current Tax		
- Income tax expense	190.00	577.14
- Minimum Alternate Tax credit availed	-	(126.70)
Net current tax	190.00	450.44
Deferred tax	108.79	(6.84)
	298.79	443.60



Rain Cements Limited**Notes forming part of the Financial Statements (continued)**

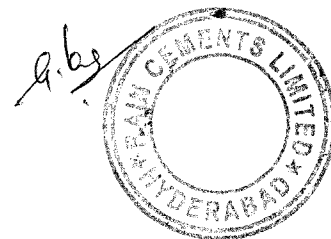
All amounts are in Indian Rupees millions, except share data and where otherwise stated

29. Contingent liabilities and commitments (to the extent not provided for)**A. Contingent liabilities:**

Particulars	As at December 31, 2016 Amount	As at December 31, 2015 Amount
Matters under dispute:		
- Sales tax	26.92	31.12
- Excise duty and service tax	49.59	49.37
- Fuel Surcharge Adjustment levied by electricity distributing companies	34.57	34.57
- Income Tax	174.50	106.47
Corporate guarantees issued (refer below for details)	4,073.40	2,626.67
Claims not acknowledged as debt	605.04	251.50
Total	4,964.02	3,099.70

Corporate Guarantees issued for loans availed by:	As at December 31, 2016 Amount		As at December 31, 2015 Amount	
	Guarantee	Contingent Liability	Guarantee	Contingent Liability
Rain Commodities USA Inc., fellow subsidiary – (Refer note (a) below)	1,494.90	675.90	1,459.26	663.30
Rain Industries Limited (Formerly Rain Commodities Limited), Holding company (Refer note (b) below)	3,397.50	3,397.50	3,979.80	1,963.37
Total	4,892.40	4,073.40	5,439.06	2,626.67

- a) The Company has provided a corporate guarantee against the loan availed by Rain Commodities (USA) Inc., fellow subsidiary to the extent of Rs.1,494.90 (as at December 31, 2015: Rs. 1,459.26) in respect of which the contingent liability is Rs. 675.90 (as at December 31, 2015: Rs. 663.30). The Loan was availed by Rain Commodities (USA) Inc., for the purpose of repayment of loan to Rain Industries Limited.
- b) The immovable assets and movable assets of the Company, all current assets of the Company are charged against loan availed by Rain Industries Limited to the extent of Rs.3,397.50 (as at December 31, 2015: Rs. 3,979.80) in respect of which the contingent liability is Rs. 3,397.50 (as at December 31, 2015: Rs. 1,963.37) for purpose of investment in Rain Commodities USA Inc.



Rain Cements Limited**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

B. Capital commitments:

Estimated amount of contracts remaining to be executed on capital accounts [net of capital advance: Rs. 26.12 (December 31, 2015 : Rs.115.58)] not provided for: Rs. 92.07 (December 31, 2015: Rs. 271.21).

30. Details of unhedged foreign currency exposures

- (a) There are no forward / derivative contracts outstanding at year end.
 (b) There are no foreign currency receivables and payable as at December 31, 2016 (December 31, 2015: Nil)

31. Value of imports on C.I.F. basis

Particulars	Year ended December 31, 2016 Amount	Year ended December 31, 2015 Amount
Stores and spares	0.69	1.50
Capital goods	0.43	-

32. Expenditure in foreign currency

Particulars	Year ended December 31, 2016 Amount	Year ended December 31, 2015 Amount
Warehouse charges	-	0.02

33. Details of consumption of imported and indigenous items**Raw materials**

Particulars	Year ended December 31, 2016		Year ended December 31, 2015	
	Amount	%	Amount	%
Imported	-	-	-	-
Indigenous	1,178.92	100.00	1,080.17	100.00
Total	1,178.92	100.00	1,080.17	100.00

Packing materials

Particulars	Year ended December 31, 2016		Year ended December 31, 2015	
	Amount	%	Amount	%
Imported	-	-	-	-
Indigenous	362.46	100.00	381.55	100.00
Total	362.46	100.00	381.55	100.00



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Rain Cements Limited**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

Stores and spares

Particulars	Year ended December 31, 2016		Year ended December 31, 2015	
	Amount	%	Amount	%
Imported	0.39	0.12	3.92	1.26
Indigenous	306.41	99.88	306.16	98.74
Total	306.80	100.00	310.08	100.00

34. Employee benefits**a) Defined contribution plans**

The Company makes provident fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 20.38 (December 31, 2015: Rs. 18.28) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

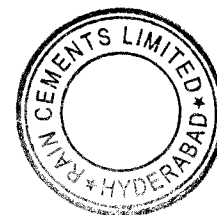
34. Employee benefits (continued)**b) Defined benefit plans - Gratuity**

The Company offers gratuity benefit scheme to its employees. The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognised in the financial statements.

Particulars	As at December 31, 2016 Amount	As at December 31, 2015 Amount
Present value of funded obligation	88.51	71.43
Less: Fair value of plan assets	22.03	20.62
Net Liability	66.48	50.81
Current portion of the liability	-	-
Non-Current portion of the liability	66.48	50.81



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Rain Cements Limited**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

Amounts recognised in the Statement of Profit and Loss under Note 25 are as follows:

Particulars	Year ended December 31, 2016 Amount	Year ended December 31, 2015 Amount
Current service cost	4.87	5.25
Interest cost	5.58	6.03
Expected return on plan assets	(1.55)	(1.65)
Net actuarial loss/(gain) recognised during the year	11.28	(6.62)
Total	20.18	3.01

Reconciliation of opening and closing balances of the present value of obligations:

Particulars	Year ended December 31, 2016 Amount	Year ended December 31, 2015 Amount
Opening defined benefit obligation	71.43	71.70
Current service cost	4.87	5.25
Interest Cost	5.58	6.03
Actuarial loss/(gain)	11.85	(7.68)
Benefits paid	(5.22)	(3.87)
Closing defined benefit obligation	88.51	71.43

34. Employee benefits (continued)

Reconciliation of opening and closing balances of the fair value of plan assets:

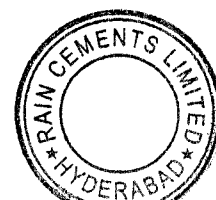
Particulars	Year ended December 31, 2016 Amount	Year ended December 31, 2015 Amount
Opening fair value of plan assets	20.62	20.01
Expected return on plan assets	1.55	1.65
Actuarial (loss)/gain	0.57	(1.07)
Contribution by employer	4.50	3.90
Benefits paid	(5.22)	(3.87)
Closing fair value of plan assets	22.02	20.62
Actual return on plan assets	2.12	0.58
Expected employer's contribution next year	8.00	8.00

Major category of plan assets as a percentage to fair value of plan assets:

Particulars	Year ended December 31, 2016	Year ended December 31, 2015
Insurer managed funds (with Life Insurance Corporation of India)	100%	100%



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Rain Cements Limited**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

Experience adjustments

Particulars	Year ended December 31, 2012 Amount	Year ended December 31, 2013 Amount	Year ended December 31, 2014 Amount	Year ended December 31, 2015 Amount	Year ended December 31, 2016 Amount
Defined Benefit Obligation	51.14	57.37	71.71	71.43	88.51
Plan Assets	15.35	18.18	20.01	20.62	22.03
Surplus/(Deficit)	(35.79)	(39.19)	(51.70)	(50.81)	(66.48)
Experience adjustment on Plan Liabilities	3.68	3.28	1.22	(4.64)	4.95
Experience adjustment on Plan Assets	0.40	(0.06)	1.31	(1.07)	0.57

Principal actuarial assumptions used:

Particulars	Year ended December 31, 2016	Year ended December 31, 2015
Discount rates	6.65%	7.85%
Expected rate of return on plan assets	7.50%	8.00%
Expected salary increase rates	6.00%	6.00%

34. Employee benefits (continued)

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligations. The principal actuarial assumptions used for the computation of defined plan are also used for the computation of compensated absence of long term benefit.

c) Defined Benefit Plans – Compensated absences

The following table sets forth the status of the compensated absences:

Particulars	Year ended December 31, 2016 Amount	Year ended December 31, 2015 Amount
Net Liability		
- Current	3.11	8.44
- Non current	20.43	17.94
Total	23.54	26.38
Amounts recognised in Note 25 of Statement of Profit and Loss	5.64	7.22



Rain Cements Limited**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

The principal actuarial assumptions used for the computation of defined plan are also used for the computation of compensated absence of long term benefit.

35. Segment information

The Company has considered business segment as the primary segment for disclosure. The Company is engaged in the manufacture of Cement in India, which in the context of Accounting Standard (AS) 17 - "Segment Reporting" notified by the Companies (Accounting Standards) Rules, 2006 is considered the only business segment. Further, the business operations of the Company are primarily concentrated in India, and hence, the Company is considered to operate only in one geographical segment.

36. Guarantees given to Related Parties

Reconciliation of opening and closing balances of Guarantees to related parties

a) Guarantee on behalf of Rain Industries Limited

Particulars	For the year ended December 31,	
	2016	2015
(a) As at the beginning of the financial year	3,979.80	3,799.80
(b) Given during the financial year	2,044.70	-
(c) Closed during the financial year	(2,653.20)	-
(d) Foreign exchange (gain)/ loss	26.20	180.00
(e) As at the end of the financial year (restated at closing rate)	3,397.50	3,979.80

b) Guarantee on behalf of Rain Commodities (USA) Inc

Particulars	For the year ended December 31,	
	2016	2015
(a) As at the beginning of the financial year	1,459.26	1,393.26
(b) Given during the financial year	-	-
(c) Repaid during the financial year	-	-
(d) Foreign exchange (gain)/ loss	35.64	66.00
(e) As at the end of the financial year (restated at closing rate)	1,494.90	1,459.26



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Rain Cements Limited**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

37. Related party Disclosures**a) Names of related parties and description of relationship:**

(i)	Holding Company	1. Rain Industries Limited (RIL)
(ii)	Subsidiaries	1. Moonglow Company Business Inc, (Moonglow) 2. Renuka Cement Limited (RenCL) 3. Rain Coke Limited (RCoke) (with effect from March 17, 2015)
(iii)	Entities under common control	1. Rain Global Services LLC (RGS) 2. Rain CII Carbon (Vizag) Limited (RCCVL) 3. Rain Commodities USA Inc. (RCUSA) 4. Nivee Property Developer Pvt Ltd., (NPDPL) 5. Pragna Priya foundations (PPF)
(iv)	Enterprise where key managerial personnel along with their relatives exercise significant influence	1. Rain Entertainments Private Limited (REPL)
(v)	Key Managerial Personnel	1. Mr. N. Radhakrishna Reddy Chairman 2. Mr. N. Sujith Kumar Reddy Managing Director 3. Mr. N. Jagan Mohan Reddy Director 4. Mr. K. Saipavan Company Secretary 5. Mr. G. N. V. S. R. R. Kumar Chief Financial Officer



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Rain Cements Limited

Notes forming part of the Financial Statements (continued)

All amounts are in Indian Rupees millions, except share data and where otherwise stated

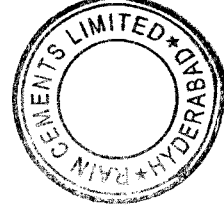
b) Transactions and balances with related parties:

Nature of Transactions	Holding Company	Subsidiary Company	Fellow subsidiaries	Key Managerial Personnel	Enterprise where key managerial personnel along with their relatives exercise significant influence	Balance Outstanding To/(From)
Sales/Receivables						
- RCCVL	-	-	5.28	-	-	-
- REPL	-	-	4.80	-	-	-
- NPDPL	-	-	-	-	2.13	0.19
	-	-	-	-	3.44	0.13
	-	-	-	-	3.63	-
	-	-	-	-	-	-
Purchases/Payables						
- RCCVL(Power)	-	-	163.27	-	-	-
- RCCVL(GPC)	-	-	345.7	-	-	-
	-	-	17.75	-	-	-
	-	-	38.13	-	-	-
Reimbursement of expenses:						
- RIL	0.47	-	-	-	-	-
	-	-	-	-	-	-
Advance given:						
- RenCL	-	-	-	-	-	-
	-	1.39	-	-	-	-
Loan Repaid						
- RIL	-	-	-	-	-	-
	336.83	-	-	-	-	-
Donation						
- PPF	-	-	-	-	10.21	-
	-	-	-	-	-	-

Amounts in italics represents previous year numbers.



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Rain Cements Limited

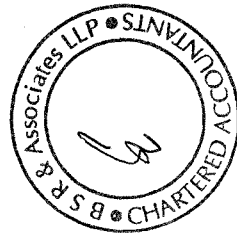
Notes forming part of the Financial Statements (continued)

All amounts are in Indian Rupees millions, except share data and where otherwise stated

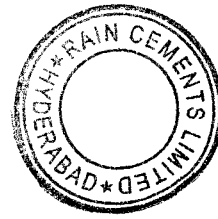
b) Transactions and balances with related parties (continued):

Nature of Transactions	Holding Company	Subsidiary Company	Fellow subsidiaries	Key Managerial Personnel	Enterprise where key managerial personnel along with their relatives exercise significant influence	Balance Outstanding To/(From)
Interest on borrowings	-	-	-	-	-	-
- RIL	6.87	-	-	-	-	-
Interest received on Borrowings	-	-	-	-	-	-
- RenCL	-	0.14	-	-	-	-
Shared Services Expenses	59.95	-	-	-	-	-
- RIL	41.70	-	-	-	-	-
Dividend Paid	268.25	-	-	-	-	-
- RIL	336.80	-	-	-	-	-
Advances Repaid	-	-	-	-	-	-
- RenCL	-	2.03	-	-	-	-
Managerial Remuneration	-	-	-	48.45	-	12.50
- N. Sujith Kumar Reddy	-	-	-	30.39	-	15.00
- G. N. V. S. R. R. Kumar	-	-	-	5.61	-	-
- K. Saipavan	-	-	-	3.97	-	-
	-	-	-	0.60	-	-
	-	-	-	0.49	-	-

Amounts in italics represents previous year numbers.



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Rain Cements Limited

Notes forming part of the Financial Statements (continued)

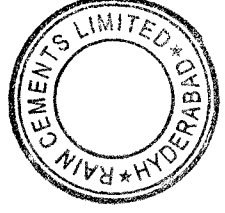
All amounts are in Indian Rupees millions, except share data and where otherwise stated

b) Transactions and balances with related parties (continued):

Nature of Transactions	Holding Company	Subsidiary Company	Fellow subsidiaries	Key Managerial Personnel	Enterprise where key managerial personnel along with their relatives exercise significant influence	Balance Outstanding To/(From)
Corporate Guarantee given on behalf of:						
- RCUSA	-	-	-	-	-	1,494.90
- RIL	2,044.70	-	-	-	-	1,459.26
						3,397.50
						3,979.80
Subscription of Investments in						
- RenCL	-	-	-	-	-	-
- RCoke	-	5.01	-	-	-	-
	-	156.77	-	-	-	-
	-	132.00	-	-	-	-
Purchase of Investments from						
- RIL	0.60	-	-	-	-	-
Sale of Investments to						
- RIL	130.00	-	-	-	-	-
Advance for Subscription of Debentures						
- RCoke	-	156.77	-	-	-	(156.77)

Also refer to Note 42 for details of scheme of arrangement between Moonglow Company Business Inc., Rain Industries Limited, Rain Cements Limited and their respective Shareholders and Creditors in terms of the relevant provisions of Companies Act, 1956/ Companies Act, 2013, for amalgamation of Moonglow Company Business Inc., with Rain Industries Limited during the current year.

Amounts in italics represents previous year numbers.



Rain Cements Limited**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

38. Leases

The Company has entered into various cancellable operating lease agreements for storage facilities. The lease rentals amounting to Rs. 50.03 (December 31, 2015: Rs.51.99) were charged off in the Statement of Profit and Loss.

39. Earnings Per Share (EPS)

Particulars	Year ended December 31, 2016	Year ended December 31, 2015
a. Profit for the year	456.66	1,064.52
b. Weighted average number of equity shares of Rs. 10 each outstanding during the year	29,805	29,805
Earnings Per Share		
c. Basic and diluted [a]/[b] - (Rs.)	15.32	35.72

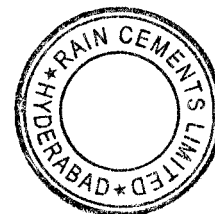
40. During the year, the Company has given donations to the political parties Rs.0.35 [December 31, 2015: Rs. 0.10].

Name of the party	Year ended December 31, 2016	Year ended December 31, 2015
Communist Party of India	0.35	0.10
Total	0.35	0.10

41. Effective from January 1, 2015 the Management has internally reassessed and revised, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act 2013. Consequently, the carrying amount of tangible assets at January 1, 2015 is being depreciated over the revised remaining useful life of the tangible asset. The carrying value of Rs. 18.40 in case of assets with no remaining useful life as at January 1, 2015 is charged to Surplus in the statement of Profit and Loss. Further, had the company continued with the previously assessed useful life, charge for depreciation for the year ended December 31, 2015 would have been lower by Rs. 10.96 and the profit before tax would have been higher by such amount.



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Rain Cements Limited**Notes forming part of the Financial Statements (continued)**

All amounts are in Indian Rupees millions, except share data and where otherwise stated

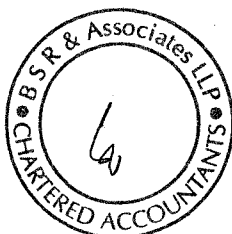
42. Moonglow Company Business Inc, a step down wholly owned subsidiary of Rain Industries Limited ("Ultimate Holding Company") and subsidiary of the Company, amalgamated with the Rain Industries Limited, with effect from April 1, 2015 ("the appointed date"). The Hon'ble High Court of Judicature at Hyderabad for the states of Telangana and Andhra Pradesh vide its order dated July 29, 2016 granted its approval for Scheme of Arrangement between Moonglow Company Business Inc. (Step down wholly owned subsidiary), Rain Industries Limited (Ultimate Holding Company), Rain Cements Limited and their respective Shareholders and Creditors in terms of the provisions of Section(s) 391 – 394 read with Section 78, 100 to 103 of the Companies Act, 1956/ Companies Act, 2013 for amalgamation of Moonglow Company Business Inc., with Rain Industries Limited. Since the Company, was wholly owned by Rain Industries Limited, no shares were exchanged to effect the amalgamation and the consideration is nil. The amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme.

Particulars	Amount
Assets	
Investments in Moonglow Company Business Inc.,	4,015.29
Less: Consideration received	(0.00)
	4,015.29
Adjusted to	
Capital reserve	2,609.57
Securities premium	1,405.72

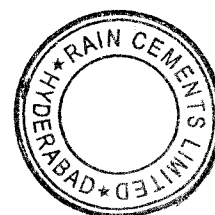
43. As per Section 135 of the Companies Act, 2013 a CSR committee has been formed by the Company. The proposed areas for CSR activities, as per CSR policy of the Company are promotion of education, rural development activities, medical facilities, employment and ensuring environment sustainability which are specified in Schedule VII of Companies Act, 2013. The Company is required to spend a minimum amount of Rs. 11.50.

Manner in which the amount is spent in the financial year is given below:

S.No.	Particulars	In cash	Yet to be paid in cash	Total
1	Donations	11.78	-	11.78
2	On purposes other than 1 above	15.04	-	15.04
	Total	26.82	-	26.82



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Rain Cements Limited

Notes forming part of the Financial Statements (continued)

All amounts are in Indian Rupees millions, except share data and where otherwise stated

44. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W /W-100024



Sriram Mahalingam

Partner

Membership number: 049642

for and on behalf of the Board of Directors



N. Sujith Kumar Reddy

Managing Director

DIN:00022383



N. Jagan Mohan Reddy

Director

DIN:00017633



G.N.V.S.R.R. Kumar

Chief Financial Officer

M No. 204139



K. Saipavan

Company Secretary

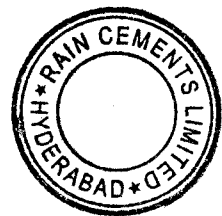
M. No. A31986

Place: Hyderabad

Date: February 21, 2017

Place: Hyderabad

Date: February 21, 2017



RAIN CEMENTS LIMITED

Regd. Office: Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State, India.

Ph. No. 040-40401234, Fax: 040-40401214

Email ID:secretarial@rain-industries.com; website: www.priyacement.com

CIN: U23209TG1999PLC031631

ATTENDANCE SLIP

18th Annual General Meeting on May 3, 2017 at 9:30 A.M.

Regd. Folio No		*DP ID:	
No. of Equity Shares held		* Client ID:	
Name of the Shareholder			
Name of Proxy			

I/We hereby record my/our presence at the 18th Annual General Meeting of the Company, to be held on Wednesday, the May 3, 2017 at 9.30 a.m. at the Registered Office of the Company situated at "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, Please sign here

If Proxy, Please sign here

Note: This form should be signed and handed over at the Meeting Venue.

* Applicable for investors holding shares in electronic form.

RAIN CEMENTS LIMITED

Regd.Office: Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State, India.

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U23209TG1999PLC031631

Name of the company: Rain Cements Limited
Registered office: Rain Center, 34, Srinagar Colony, Hyderabad-500 073, Telangana State.

Name of the member(s):

Registered address:

Email Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:

or failing him/her

2. Name:
Address:
E-mail Id:
Signature:

or failing him/her

3. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Wednesday, the May 3, 2017 at 9.30 a.m. at the Registered Office of the Company situated at "Rain Center", 34, Srinagar Colony, Hyderabad - 500 073, Telangana State, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
Ordinary Business	
1	To receive, consider and adopt the Balance sheet as at December 31, 2016, Statement of Profit and Loss for the Financial year ended on December 31, 2016, Cash Flow Statement for the Financial year ended December 31, 2016 and Reports of Board and Auditors thereon.
2	To approve and ratify Interim Dividend.
3	To appoint a Director in place of Mr. N. Radhakrishna Reddy, who retires by rotation and being eligible offers himself for re-appointment.
4	To appoint a Director in place of Mr. N. Jagan Mohan Reddy, who retires by rotation and being eligible offers himself for re-appointment.
5	To ratify the appointment of M/s. BSR & Associates LLP, as Statutory Auditors of the Company from the conclusion of this 18 th Annual General Meeting till the conclusion of 19th Annual General Meeting.
Special Business	
6	To ratify remuneration payable to Cost Auditors.

Signed this..... day of..... 2017

Please Affix
Re. 1/-
Revenue
Stamp and
sign across

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

